

FILED JUL 8 1978

By Von Dahlen, Chairman
Constitutional Amendments Committee

H.J.R. No. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to ad valorem
2 taxation of agricultural property, exemptions of certain property
3 from taxation, limitations on increases in total property tax
4 revenues, and limitations on state legislative appropriations and
5 state taxation.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. That Article VIII, Section 1, of the Texas
8 Constitution be amended to read as follows:

9 Sec. 1. Taxation shall be equal and uniform. All property
10 in this State, whether owned by natural persons or corporations,
11 other than municipal, shall be taxed in proportion to its value,
12 which shall be ascertained as may be provided by law. The
13 Legislature may impose a poll tax. It may also impose occupation
14 taxes, both upon natural persons and upon corporations, other than
15 municipal, doing any business in this State. Persons ~~[it may also~~
16 ~~tax incomes of both natural persons and corporations other than~~
17 ~~municipal, except that persons]~~ engaged in mechanical and
18 agricultural pursuits shall never be required to pay an occupation
19 tax; Provided, that ~~[two hundred and fifty dollars worth of]~~
20 household goods and supplies not held or used for the production of
21 income and personal effects not held or used for the production of
22 income ~~[and kitchen furniture, belonging to each family in this~~
23 ~~State]~~ shall be exempt from taxation, and provided further that the
24 occupation tax levied by any county, city or town for any year on

1 persons or corporations pursuing any profession or business, shall
2 not exceed one half of the tax levied by the State for the same
3 period on such profession or business.

4 SECTION 2. That Article VIII, Section 1-d, of the Texas
5 Constitution be amended to read as follows:

6 Sec. 1-d. (a) The legislature may provide by law for
7 taxation of real property devoted to farming, ranching, or timber
8 production at a smaller proportion of value or at a lower rate than
9 other property or on the basis of a standard of value that is less
10 than market value if the property is owned by one or more
11 individuals, by a trust or estate or other entity that benefits
12 individuals exclusively, or by an eligible domestic corporation. A
13 domestic corporation is eligible if:

14 (1) the number of shareholders does not exceed 10 or, if
15 there are more than 10 shareholders, each shareholder is related to
16 all other shareholders within the third degree of consanguinity or
17 the second degree of affinity;

18 (2) each shareholder is an individual or an estate, trust,
19 or other entity that benefits individuals exclusively; and

20 (3) the corporation's total revenues from rents, royalties,
21 dividends, interest, and annuities in any fiscal year do not exceed
22 20 percent of its total revenues in that year.

23 (b) The legislature may exempt from taxation farm and ranch
24 equipment and supplies and agricultural livestock that are owned by
25 individuals or entities eligible for taxation under Subsection (a)
26 of this section and that are used in the owner's farm or ranch
27 operations.

1 (c) The legislature shall provide by law for determining the
2 amounts of reduction in school district property tax revenues and
3 for payments by the state to the school districts to replace the
4 amounts by which property tax revenues are reduced by laws enacted
5 under Subsection (a) of this section.

6 ~~[(a) All land owned by natural persons which is designated~~
7 ~~for agricultural use in accordance with the provisions of this~~
8 ~~Section shall be assessed for all tax purposes on the consideration~~
9 ~~of only those factors relative to such agricultural user~~
10 ~~"Agricultural use" means the raising of livestock or growing of~~
11 ~~crops, fruits, flowers, and other products of the soil under natural~~
12 ~~conditions as a business venture for profit, which business is the~~
13 ~~primary occupation and source of income of the owner.~~

14 ~~[(b) For each assessment year the owner wishes to qualify~~
15 ~~his land under provisions of this Section as designated for~~
16 ~~agricultural use he shall file with the local tax assessor a sworn~~
17 ~~statement in writing describing the use to which the land is~~
18 ~~devoted.~~

19 ~~[(c) Upon receipt of the sworn statement in writing the~~
20 ~~local tax assessor shall determine whether or not such land~~
21 ~~qualifies for the designation as to agricultural use as defined~~
22 ~~herein and in the event it so qualifies he shall designate such~~
23 ~~land as being for agricultural use and assess the land accordingly.~~

24 ~~[(d) Such local tax assessor may inspect the land and~~
25 ~~require such evidence of use and source of income as may be~~
26 ~~necessary or useful in determining whether or not the agricultural~~
27 ~~use provision of this article applies.~~

1 ~~[(e) No land may qualify for the designation provided for in~~
2 ~~this Act unless for at least three (3) successive years immediately~~
3 ~~preceding the assessment date the land has been devoted exclusively~~
4 ~~for agricultural use, or unless the land has been continuously~~
5 ~~developed for agriculture during such time.~~

6 ~~[(f) Each year during which the land is designated for~~
7 ~~agricultural use, the local tax assessor shall note on his records~~
8 ~~the valuation which would have been made had the land not qualified~~
9 ~~for such designation under this Section. If designated land is~~
10 ~~subsequently diverted to a purpose other than that of agricultural~~
11 ~~use, or is sold, the land shall be subject to an additional tax.~~
12 ~~The additional tax shall equal the difference between taxes paid or~~
13 ~~payable hereunder, and the amount of tax payable for the preceding~~
14 ~~three years had the land been otherwise assessed. Until paid,~~
15 ~~there shall be a lien for additional taxes and interest on land~~
16 ~~assessed under the provisions of this Section.~~

17 ~~[(g) The valuation and assessment of any minerals or~~
18 ~~subsurface rights to minerals shall not come within the provisions~~
19 ~~of this Section.]~~

20 SECTION 3. That Article VIII, Section 1-b, of the Texas
21 Constitution be amended by adding Subsection (c) to read as
22 follows:

23 [(c) Ten thousand dollars (\$10,000) of the assessed value of
24 the residence homestead of a married or unmarried adult, including
25 one living alone, is exempt from ad valorem taxation for school
26 district purposes. In addition to this exemption, the residence
27 homestead exemption for persons 65 years of age or older authorized

1 by Subsection (b) of this section is required, at a minimum of ten
2 thousand dollars (\$10,000), for all school districts. The
3 legislature shall provide by law for determining the amounts of
4 reduction in school district property tax revenues and for payments
5 by the state to the school districts to replace the amounts by
6 which property tax revenues are reduced by exemptions required by
7 this subsection.

8 SECTION 4. That Article VIII of the Texas Constitution be
9 amended by adding Section 21 to read as follows:

10 Sec. 21. (a) Except as otherwise provided by this section,
11 legislative appropriations from state tax revenue for a fiscal
12 biennium may not exceed the total of those appropriations for the
13 preceding biennium by more than the amount that would result from
14 an annual increase of 7-1/2 percent.

15 (b) If the legislature, by adoption of a resolution approved
16 by a record vote of two-thirds of the members of each house present
17 and voting, finds that an emergency exists and identifies the
18 nature of the emergency, the legislature may provide for
19 appropriations in excess of the amount authorized by Subsection (a)
20 of this section. The excess authorized under this subsection may
21 not exceed the amount specified in the resolution.

22 SECTION 5. That Article VIII of the Texas Constitution be
23 amended by adding Section 22 to read as follows:

24 Sec. 22. (a) Except as otherwise provided by this section,
25 the total amount of property taxes imposed by a political
26 subdivision may not exceed by more than five percent the total
27 amount of property taxes imposed by the subdivision in the

1 preceding year.

2 (b) A political subdivision may increase the total amount of
3 property taxes it imposes by more than the amount authorized by
4 Subsection (a) of this section if the amount of the additional
5 increase is approved by a vote of two-thirds of the members of the
6 governing body of the subdivision. A governing body may not vote
7 on an increase under this subsection until it has given adequate
8 notice of its intent to consider an increase in taxes and has held
9 a public hearing on the proposed increase. The legislature shall
10 prescribe by law the form, content, timing, and methods of giving
11 the notice and the rules for the conduct of the hearing.

12 (c) Under procedures prescribed by general law, the
13 qualified electors of a political subdivision by petition may
14 require that an election be held in the political subdivision to
15 reduce a tax rate adopted pursuant to Subsection (b) of this
16 section to the rate that will impose the maximum amount of property
17 taxes permitted under Subsection (a) of this section.

18 (d) In calculating the maximum amount of property taxes
19 permitted under Subsection (a) of this section:

20 (1) the amount of taxes used to pay principal or interest on
21 debt authorized by vote of the qualified electors and the amount of
22 taxes imposed on real property that is no longer taxable by the
23 subdivision are excluded from the total amount of taxes imposed in
24 the preceding year; and

25 (2) the amount required to pay principal or interest on debt
26 authorized by vote of the qualified electors and the amount to be
27 imposed on new improvements not taxed in the preceding year and in

1 newly annexed territory not taxed in the preceding year are
2 excluded from the total amount of taxes to be imposed in the
3 current year.

4 (e) If two or more subdivisions consolidate, the amount of
5 property taxes imposed in each subdivision in the preceding year is
6 combined in calculating the maximum permissible increase in total
7 property taxes. If territory ceases to be a part of a subdivision,
8 the amount of property taxes imposed in that territory in the
9 preceding year is excluded in calculating the permissible increase.

10 SECTION 6. That Article VIII of the Texas Constitution be
11 amended by adding Section 23 to read as follows:

12 Sec. 23. No tax may be imposed on the net incomes of
13 individuals or corporations.

14 SECTION 7. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held on November 7,
16 1978. The ballot shall be printed to provide for voting for or
17 against the proposition: "The constitutional amendment providing
18 for a \$10,000 residence homestead exemption from school district
19 property taxes and an additional residence homestead exemption from
20 school property taxes of at least \$10,000 for senior citizens;
21 providing for exemption of household goods and personal effects not
22 used for business purposes; providing for exemption of tangible
23 personal property used for agricultural purposes; authorizing a
24 reduced level of taxation for certain agricultural real property;
25 imposing limits on increases in local property taxes; imposing
26 limits on increases in state expenditures from tax revenue;
27 prohibiting a state income tax; and requiring state payments to

- 1 school districts in certain instances to replace reductions in tax
- 2 revenues resulting from reductions of school district tax bases."

COMMITTEE REPORT

The Honorable Bill Clayton
Speaker of the House of Representatives

7/24/78
(date)

Sir:

We, your COMMITTEE ON CONSTITUTIONAL AMENDMENTS , to whom was referred H.J.R. 1
have had the same under consideration and beg to report back with the recommendation that it (measure)

- () do pass, without amendment.
- () do pass, with amendment(s).
- (XXX) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested on 7/13 and 7/24 and is attached as part of this report.
(date)

XXXXXX Fiscal Statement Attached XXXX

XXXXXX The Committee recommends that this measure be placed on the XXXX Calendar XXXX


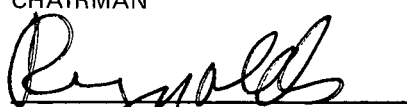
This measure (XX) proposes new law.
() amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Von Dohlen	XX			
Jones	XX			
Bryant			XX	
Clark, B.	XX			
Close	XX			
Hendricks	XX			
XXXXXX Bode	XX			
Robbins	XX			
Schieffer	XX			

Total:
8 aye
0 nay
1 present, not voting
0 absent


CHAIRMAN

COMMITTEE COORDINATOR

BILL ANALYSIS

Background Information

The present restriction on state expenditures in the Constitution is the "pay as you go" provision of Article III, Sec. 49a, which restricts legislative appropriations to the anticipated revenue certified by the Comptroller. The limit can be exceeded by a showing of imperative public necessity and a four-fifths vote of the membership of each House.

A number of constitutional provisions presently set tax limits for various political subdivisions (see Art. VIII, Sec. 9 and Art. XI, Sec. 4 and 5).

Article VIII, Sec. 1-b of the Constitution provides (1) for a \$3,000 homestead exemption from state taxes for everyone owning a homestead, and (2) authorizes a political subdivision to exempt \$3,000 of the value of a residence homestead owned by a person 65 years of age or older from all taxes levied by the political subdivision.

Article VIII, Sec. 1 provides that "taxation shall be equal and uniform." This section has been interpreted to require that all property taxes must be levied at the same ad valorem rate. This creates real problems in appraising agricultural land suitable for urban development or otherwise valuable for speculative purposes.

Accordingly, in 1966, Sec. 1-d was added to attempt to solve the problem. Unfortunately, Sec. 1-d was written as a statutory self-executing provision, which is both cumbersome and susceptible to much judicial interpretation. Within three years, a new version was proposed that generally authorized the Legislature to provide for a uniform method of assessment of farm, ranch, and forest lands. The amendment was defeated at the 1970 general election. A new provision was also drafted during the 1975 Constitutional Convention and included in S.J.R. 11, which was defeated by the voters in 1976. During the 65th Session, a similar provision, S.J.R. 1, passed the Senate, but was defeated in the House when it failed to receive the necessary 100 votes.

Purpose of the Resolution

The resolution is a comprehensive amendment to Texas Constitution Article VIII to provide for a variety of tax relief measures.

Section-by-Section Analysis

Section 1. Amends Art. VIII, Sec. 1 to exempt the following from the constitutional tax base:

- (a) Household goods and supplies not held or used for the production of income;
- (b) Personal effects not held or used for the production of income; and
- (c) Removes language authorizing a state income tax.

Section 2. Amends Art. VIII, Sec. 1-d to:

- (a) Provide for an alternative valuation of land devoted to farming, ranching, or timber production if the property is owned by an individual, a trust or estate that benefits individuals exclusively, or by an eligible domestic corporation (which is defined).
- (b) The taxation of qualified property may be on the basis of:
 - (1) A smaller proportion of value;

- (2) A lower rate than other property; or
- (3) A standard of value that is less than market.
- (c) The section also allows the Legislature to exempt from taxation farm and ranch equipment, supplies and livestock used in the qualifying owner's farm or ranch operations.
- (d) Subsection (c) mandates the reimbursement to school districts tax revenues lost because of the provisions of this subsection.

Section 3. Creates a new homestead exemption for school tax purposes only:

- (a) Grants a \$10,000 residential homestead exemption; and
- (b) An additional \$10,000 exemption for persons 65 years of age or older.
- (c) This provision also mandates the reimbursement of lost tax revenues to the school districts because of the operation of this section.

Section 4. Limits increases in state expenditures by:

- (a) Placing a 15% cap on increases in appropriations from state tax revenues over the preceding biennium, with one exemption;
- (b) By adoption of a resolution by a two-thirds vote of the members present and voting, the legislature may find that an emergency exists and exceeds the 15% limit by an amount specified in the resolution.

Section 5. Creates a limit on increases in the total amount of property taxes imposed by political subdivisions of 5% over the preceding year, with the following exception:

- (a) The political subdivision may increase the total amount of property taxes over the 5% limit if the additional increase is approved by a two-thirds vote of the members of the governing body.
- (b) Before voting on such an increase, the governing body must follow "truth in taxation" requirements to be prescribed by the legislature.
- (c) Subsection (c) of this section then allows the holding of a public referendum on the increase in taxes above the 5% limit.
- (d) In calculating the 5% limit, the following are excluded:
 - (1) Tax money necessary to pay the principle and interest on bonded indebtedness authorized by vote of the qualified electors; and
 - (2) Taxes imposed on real property no longer taxed by the subdivision, and
 - (3) Taxes imposed on new improvements not taxed in the preceding year, and on newly annexed territory.

Section 6. Adds a new section to Art. VIII that prohibits the imposition of an individual or corporate income tax.

Section 7. Contains the ballot language and places the amendment on the ballot for the November 7, 1978 general election.

Comparison of the Complete Committee Substitute to the Original Resolution

The Committee Substitute makes major changes in the resolution as introduced. A section by section analysis of the changes is as follows:

Section 1. Same as Section 1 in the original with the exception of a minor language deletion on lines 19 and 20, to delete the words "held or".

Section 2. Section 2 of the Substitute is a complete rewrite of the agricultural use exemption. Most importantly, the new section does not provide for reimbursement of revenue losses to school districts, as did the original resolution.

Section 3. Section 3 is a complete rewrite from the original resolution. The substitute Section 3 provides the following homestead exemption:

- (a) Mandates the Legislature to provide a general homestead exemption in an amount to be determined by general law;
- (b) Authorizes an exemption for those over 65 or disabled;
- (c) Exempts bonded indebtedness from the exemption; and
- (d) Authorizes the Legislature to provide by general law for reimbursement to the school districts revenue lost by virtue of the exemptions.

Section 4. Section 4 is a complete rewrite from the original. The substitute section 4 provides for a record vote of a majority of the membership of each House to pass a tax bill. The original contained a limitation on state appropriations.

Section 5. Section 5 is a complete rewrite. Instead of the local tax limits contained in the original, the substitute provides for the following:

- (a) That local governments follow truth-in-taxation requirements before raising property taxes over the previous year's;
- (b) That a property owner be given notice and other information relevant to a property revaluation; and
- (c) Authorizes a referendum on local tax increases under procedures and conditions prescribed by law.

Section 6. A new section, the Section 6 from the original was deleted entirely. Section 6 of the Substitute provides that the amendment will be effective on January 1, 1978.

Section 7. Section 7, the ballot language, has been rewritten to better describe the substance of the amendment. The amendment will be on the ballot on November 7, 1978.

Summary of Committee Action

Pursuant to Public Notice posted in accordance with the rules, the Committee met in Public Hearing on July 17, 1978 to begin consideration of H.J.R. 1. The Committee considered public testimony on the measure at a series of meetings held pursuant to recesses over the period of a week. At the continuation of the Public Hearing held on July 24, 1978 the Committee voted by a vote of 8 ayes, no nays, and 1 present not voting to report a Complete Committee Substitute for H.J.R. 1 to the House with a recommendation that it do pass.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

July 24, 1978

Honorable Tim Von Dohlen
House Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 1,
Second Called Session,
65th Legislature

Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of Committee Substitute for House Joint Resolution No. 1, Second Called Session, 65th Legislature (proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, limitations on increases in total property tax revenues, and limitations on state taxation) to be as follows:

The Resolution, should it be adopted, would amend the Texas Constitution so as to no longer include in the ad valorem tax base intangible personal property or household goods and personal effects not held or used for the production of income. Because these types of property are at present substantially missing from the tax rolls of nearly all taxing units, basic data are not available on which to base accurate estimates of the probable loss of revenue to property taxing units attributable to these provisions of the Resolution.

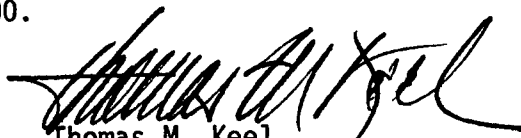
The Resolution would authorize the Legislature to provide by general law for taxation of open-space land devoted to farm or ranch or timber production on the basis of its productive capacity. No estimate can be made of the probable loss of revenue to property taxing units attributable to this section because of uncertainty as to the level of assessment currently in use among local taxing units and the eligibility limitations and sanctions which may be adopted by the Legislature to implement this section.

The Resolution would exempt from the maintenance tax levies of school districts \$10,000 of market value of each residence homestead, and would provide an additional exemption of \$10,000 of market value of the residence homestead of a person 65 years of age or older. The Resolution would direct the Legislature to provide for determining the amounts of reduction in school district property tax revenues and for payments by the State to the school districts during the first four years this subsection would be in effect to replace the amounts by which property tax revenues are reduced by the homestead exemptions required. Preliminary estimates are that the Legislature would be required to distribute to school districts not more than \$227 million annually (\$454 million each biennium) during the four-year period set forth in the Resolution. Following that period, the school districts would experience a loss of revenue without receiving a State reimbursement directly related to the loss in revenue from homestead exemptions.

Fiscal Note for Committee Substitute for House Joint Resolution No. 1
July 24, 1978

The provisions of the Resolution concerned with the procedures for adopting increases in state and local taxation could result in avoiding some increases in taxation which might otherwise occur, but the dollar amount of such results cannot be measured because the future actions of governing bodies and the electorate cannot be predicted.

The cost of publishing the Resolution, should it be placed on the ballot in November 1978, is estimated to be \$24,000.


Thomas M. Keel
Director

Source: LBB Staff

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

July 24, 1978

REVISED

Honorable Tim Von Dohlen
House Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 1,
Second Called Session,
65th Legislature

Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of Committee Substitute for House Joint Resolution No. 1, Second Called Session, 65th Legislature (proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, limitations on increases in total property tax revenues, and limitations on state taxation) to be as follows:

The Resolution, should it be adopted, would amend the Texas Constitution so as to no longer include in the ad valorem tax base intangible personal property or household goods and personal effects not used for the production of income. Because these types on which to base accurate estimates of the probable loss of revenue to property taxing units attributable to these provisions of the Resolution.

The Resolution would require the Legislature to provide by general law for taxation of open-space land devoted to farm or ranch purpose on the basis of its productive capacity and would authorize the Legislature to provide by general law for taxation of open-space land devoted to timber production on the basis of its productive capacity. No estimate can be made of the probable loss of revenue to property taxing units attributable to this section because of uncertainty as to the level of assessment currently in use among local taxing units and the eligibility limitations and sanctions which may be adopted by the Legislature to implement this section.

The Resolution would require the Legislature to provide by general law for a residence homestead exemption from ad valorem taxation for the maintenance and operation of school districts and would authorize the Legislature to provide by general law for residence homestead exemption for persons over age 65 or disabled, as defined by general law. The Legislature would be authorized to provide by law for determining the amounts of reduction in school district property tax revenues and for payments by the state to the school districts to replace the amounts by which property tax revenues are reduced by exemptions required by this subsection. No estimate can be made of the probable loss of revenue to the school districts or probable cost to the state for payments related thereto because the actions of the Legislature under this provision, should it be adopted, cannot be accurately anticipated.

Fiscal Note for Committee Substitute for House Joint Resolution No. 1
July 24, 1978

The provisions of the Resolution concerned with the procedures for adopting increases in state and local taxation could result in avoiding some increases in taxation which might otherwise occur, but the dollar amount of such results cannot be measured because the future actions of governing bodies and the electorate cannot be predicted.

The cost of publishing the Resolution, should it be placed on the ballot in November 1978, is estimated to be \$24,000.

A handwritten signature in black ink that reads "Thomas M. Keel". The signature is written in a cursive, slightly slanted style.

Thomas M. Keel
Director

Source: LBB Staff

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

August 8, 1978

Honorable Bill Clayton
Speaker of the House
House of Representatives
Austin, Texas

In Re: Conference Committee Report on
H.J.R. No. 1
Second Called Session,
65th Legislature

Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of the Conference Committee Report on H.J.R. No. 1, Second Called Session, 65th Legislature (proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, conditions for increases in total property tax revenues and limitations on state taxation) to be as follows:

The Resolution, should it be adopted, would amend the Texas Constitution so as to no longer require that the ad valorem tax base include intangible personal property, but the Legislature would be specifically authorized to provide for the taxation of intangible property. The Resolution would direct the Legislature by general law to exempt from ad valorem taxation household goods and personal effects, not used for production of income, and would permit the Legislature to exempt "personal property homestead." Because these types of property are at present substantially missing from the tax rolls of nearly all taxing units, basic data is inadequate for making accurate estimates of the probable loss of revenue to property taxing units attributable to these provisions of the Resolution.

Because of uncertainty as to the level of assessment currently in use among local taxing units, no accurate estimate can be made of the dollar amount of change in revenue associated with provisions of the bill regarding taxation of open-space land devoted to farm or ranch purposes or timber production.

Under the present provisions of the Constitution, local political subdivisions may exempt not less than \$3,000 of assessed value of residence homesteads of elderly persons from ad valorem taxation. The Resolution would change this to not less than \$3,000 of market value and would include in addition to the elderly those under disability for purposes of payment of disability insurance benefits under Federal Old-Age Survivors and Disability Insurance. The fiscal impact on units of local government of these two changes cannot be accurately determined for purposes of this fiscal note for lack of information as to future actions by local governing bodies or voters.

The Resolution would exempt from local school district taxes \$5,000 of the market value of residence homesteads, and in addition an amount prescribed by general law not to exceed \$10,000 of market value of each residence homestead of a person who is disabled or of a person 65 years of age or older. The Legislature by general law may base the amount of the additional exemption for the disabled or elderly on economic need. The total amount of ad valorem taxes imposed on a homestead of a person 65 years of age or older by a local school district may not be increased while it remains the homestead of that person or that person's spouse, unless there are improvements other than repairs which increase the value of the homestead. It is estimated that there would be about \$247.6 million in school district levies associated with the general homestead exemption set forth in the Resolution in the 1980-81 biennium--an annual average of \$123.8 million. The maximum potential school district levies associated

with the additional \$10,000 exemption for the elderly is estimated for the 1980-81 biennium to be \$46 million -- an annual average of \$23 million. The estimate for the elderly would be reduced to the extent that the Legislature by its actions limit the exemption to less than \$10,000 or to the extent that school districts change their present exemptions for the elderly. Basic data are not available for accurately estimating the fiscal impact of the proposed homestead exemption of the disabled. The impact on school levies would continue in years subsequent to the 1980-81 biennium. The definition of "market value" used in these estimates is the market value determined by the school district assessor.

The provisions of the Resolution concerning procedures to be followed by a political subdivision intending to increase taxes or revalue property would tend to moderate some proposed tax increases but the dollar amount of such modification cannot be ascertained for purposes of this fiscal note.

The Resolution would provide that the rate of growth of appropriations from state tax revenues not dedicated by this Constitution may not exceed the estimated rate of growth of the state's economy. No accurate estimate of the fiscal consequences of this provision can be made because of inability to anticipate the procedures that would be adopted by the Legislature for its implementation.

The cost of publishing the Resolution, should it be placed on the ballot in November 1978, is estimated to be \$22,300.



Thomas M. Keel
Director

JUL 28 1978

Betty Murray

Read Second Time Chief Clerk, House of Representatives and passed to
third reading by vote 99 ayes, 42 noes. O p n v

By Von Dohlen

H.J.R. No. 1

Substitute the following for H.J.R. No. 1

By

Schaffer Close Bode Robbins
Von Dohlen B. Clark

C.S.H.J.R. No. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to ad valorem
2 taxation of agricultural property, exemptions of certain property
3 from taxation, limitations on increases in total property tax
4 revenues, and limitations on state taxation.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. That Article VIII, Section 1, of the Texas
7 Constitution be amended to read as follows:

8 Sec. 1. Taxation shall be equal and uniform. All real
9 property and tangible personal property in this State, whether
10 owned by natural persons or corporations, other than municipal,
11 shall be taxed in proportion to its value, which shall be
12 ascertained as may be provided by law. The Legislature may impose
13 ~~[a poll tax. It may also impose]~~ occupation taxes, both upon
14 natural persons and upon corporations, other than municipal, doing
15 any business in this State. It may also tax incomes of both
16 natural persons and corporations other than municipal, except that
17 persons engaged in mechanical and agricultural pursuits shall never
18 be required to pay an occupation tax; Provided, that ~~[two hundred~~
19 ~~and fifty dollars worth of]~~ household goods not used for
20 the production of income and personal effects not used for
21 the production of income ~~[and kitchen furniture, belonging to each~~
22 ~~family in this State]~~ shall be exempt from taxation, and provided
23 further that the occupation tax levied by any county, city or town
24 for any year on persons or corporations pursuing any profession or

1 business, shall not exceed one half of the tax levied by the State
2 for the same period on such profession or business.

3 SECTION 2. That Article VIII, Section 1-d, of the Texas
4 Constitution be amended to read as follows:

5 Sec. 1-d. The legislature shall provide by general law for
6 taxation of open-space land devoted to farm or ranch purposes on
7 the basis of its productive capacity and may provide by general law
8 for taxation of open-space land devoted to timber production on the
9 basis of its productive capacity. The legislature by general law
10 may provide eligibility limitations under this section and may
11 impose sanctions in furtherance of the taxation policy of this
12 section.

13 ~~[(a) All land owned by natural persons which is designated~~
14 ~~for agricultural use in accordance with the provisions of this~~
15 ~~Section shall be assessed for all tax purposes on the consideration~~
16 ~~of only those factors relative to such agricultural use.~~
17 ~~"Agricultural use" means the raising of livestock or growing of~~
18 ~~crops, fruit, flowers, and other products of the soil under natural~~
19 ~~conditions as a business venture for profit, which business is the~~
20 ~~primary occupation and source of income of the owner.~~

21 ~~[(b) For each assessment year the owner wishes to qualify~~
22 ~~his land under provisions of this Section as designated for~~
23 ~~agricultural use he shall file with the local tax assessor a sworn~~
24 ~~statement in writing describing the use to which the land is~~
25 ~~devoted.~~

26 ~~[(c) Upon receipt of the sworn statement in writing the~~
27 ~~local tax assessor shall determine whether or not such land~~

~~qualifies for the designation as to agricultural use as defined herein and in the event it so qualifies he shall designate such land as being for agricultural use and assess the land accordingly~~

~~[(d) Such local tax assessor may inspect the land and require such evidence of use and source of income as may be necessary or useful in determining whether or not the agricultural use provision of this article applies]~~

~~[(e) No land may qualify for the designation provided for in this Act unless for at least three (3) successive years immediately preceding the assessment date the land has been devoted exclusively for agricultural use, or unless the land has been continuously developed for agriculture during such time]~~

~~[(f) Each year during which the land is designated for agricultural use, the local tax assessor shall note on his records the valuation which would have been made had the land not qualified for such designation under this Section. If designated land is subsequently diverted to a purpose other than that of agricultural use, or is sold, the land shall be subject to an additional tax. The additional tax shall equal the difference between taxes paid or payable hereunder, and the amount of tax payable for the preceding three years had the land been otherwise assessed. Until paid, there shall be a lien for additional taxes and interest on land assessed under the provisions of this Section.]~~

~~[(g) The valuation and assessment of any minerals or subsurface rights to minerals shall not come within the provisions of this Section.]~~

SECTION 3. That Article VIII, Section 1-b, of the Texas

1 Constitution be amended by adding Subsection (c) to read as
 2 follows:

(c) Except as otherwise provided, the Legislature ~~shall~~ ^{shall} provide by general law for a residence homestead exemption of all married or unmarried adults, including those living alone, from ad valorem taxation for the maintenance & operation of school districts, and in addition thereto, may provide by general law for a residence home stead exemption for those persons over 65 or disabled, as defined by ~~the~~ general law.

15 The exemptions provided by this section do not apply to the taxes needed to
 16 pay principal or interest on bonded indebtedness. The legislature may provide
 17 by law for determining the amounts of reduction in school district property
 18 tax revenues and for payments by the state to the school districts ~~and the~~
 19 ~~first year of the reduction in property tax revenues~~ to replace the amounts by which
 20 property tax revenues are reduced by exemptions required by this subsection.
 21 The legislature by general law may provide a definition of residence homestead
 22 for purposes of this section.

23 SECTION 4. That Article VIII, Section 3, of the Texas Constitution
 24 be amended to read as follows:

25 Sec. 3. Taxes shall be levied and collected by general laws and for
 26 public purposes only. Any general law adopting a new or additional state
 27 tax or increasing the rate of an existing state tax must be approved by a
 28 record vote of a majority of the members elected to each house on second
 29 and third reading and, except to override the Governor's veto, on any other
 30 vote that may constitute final passage.

1 SECTION 5. That Article VIII of the Texas Constitution be amended
2 by adding Section 21 to read as follows:

3 Sec. 21. (a) The total amount of property taxes imposed by a
4 political subdivision may not exceed the total amount of property taxes
5 imposed by the subdivision in the preceding year until the governing body
6 has given notice of its intent to consider an increase in taxes and has
7 held a public hearing on the proposed increase. The legislature shall
8 prescribe by law the form, content, timing, and methods of giving the notice
9 and the rules for the conduct of the hearing.

10 (b) The legislature by general law shall require that, subject
11 to reasonable exceptions, a property owner be given notice of a revaluation
12 and the subsequent reduction of the tax rate or assessment ratio that would
13 be necessary to provide the prior year's total amount of property taxes
14 imposed before the procedures required in subsection (a) are instituted.

15 (c) Under procedures prescribed and subject to conditions or
16 exceptions imposed by general law, the qualified electors of a political
17 subdivision by petition may require that an election be held in the political
18 subdivision to repeal a tax increase.

19 SECTION 6. This amendment shall be effective January 1, 1979.

20 SECTION 7. This proposed constitutional amendment shall be submitted
21 to the voters at an election to be held on November 7, 1978. The ballot shall
22 be printed to provide for voting for or against the proposition: "The
23 constitutional amendment providing for tax relief for residential homesteads,
24 elderly persons, ^{DISABLED PERSONS,} and agricultural land; for truth in taxation procedures,
25 including citizen involvement; and for a redefinition of the tax base."
26
27

JUL 28 1978

DATE

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

Debra Murray

as amended

Amendment No.

①

By:

Von Dahlen

Olson

Mugger

Amend C.S.H.J.R. No. 1 by striking all below the resolving clause and substituting therefore the following:

SECTION 1. That Article VIII, Section 1, of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may impose a tax on intangible property and ~~[-poll-tax---it]~~ may also impose occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax; Provided, that ~~[two-hundred and fifty dollars worth of]~~ household goods not used for the production of income and personal effects not used for the production of income ~~[and kitchen furniture, belonging to each family in this State]~~ ^{ad valorem} shall be exempt from taxation, and provided further that the occupation tax levied by any county, city or town for any year on persons or corporations pursuing any profession or

business, shall not exceed one half of the tax levied by the State for the same period on such profession or business.

SECTION 2. That Article VIII, Section 1-d, of the Texas Constitution be amended to read as follows:

Sec. 1-d. The legislature shall provide by general law for taxation of open-space land devoted to farm or ranch purposes on the basis of its productive capacity and may provide by general law for taxation of open-space land devoted to timber production on the basis of its productive capacity. The legislature by general law may provide eligibility limitations under this section and may impose sanctions in furtherance of the taxation policy of this section.

~~[(a) All land owned by natural persons which is designated for agricultural use in accordance with the provisions of this Section shall be assessed for all tax purposes on the consideration of only those factors relative to such agricultural user. "Agricultural use" means the raising of livestock or growing of crops, fruit, flowers, and other products of the soil under natural conditions as a business venture for profit, which business is the primary occupation and source of income of the owner.]~~

~~[(b) For each assessment year the owner wishes to qualify his land under provisions of this Section as designated for agricultural use he shall file with the local tax assessor a sworn statement in writing describing the use to which the land is devoted.]~~

~~[(c) Upon receipt of the sworn statement in writing the local tax assessor shall determine whether or not such land~~

~~qualifies for the designation as to agricultural use as defined herein and in the event it so qualifies he shall designate such land as being for agricultural use and assess the land accordingly.~~

~~[(d) Such local tax assessor may inspect the land and require such evidence of use and source of income as may be necessary or useful in determining whether or not the agricultural use provision of this article applies.~~

~~[(e) No land may qualify for the designation provided for in this Act unless for at least three (3) successive years immediately preceding the assessment date the land has been devoted exclusively for agricultural use, or unless the land has been continuously developed for agriculture during such time.~~

~~[(f) Each year during which the land is designated for agricultural use, the local tax assessor shall note on his records the valuation which would have been made had the land not qualified for such designation under this Section. If designated land is subsequently diverted to a purpose other than that of agricultural use, or is sold, the land shall be subject to an additional tax. The additional tax shall equal the difference between taxes paid or payable hereunder, and the amount of tax payable for the preceding three years had the land been otherwise assessed. Until paid, there shall be a lien for additional taxes and interest on land assessed under the provisions of this Section.~~

~~[(g) The valuation and assessment of any minerals or subsurface rights to minerals shall not come within the provisions of this Section.]~~

SECTION 3. That Article VIII, Section 1-b, of the Texas

1 Constitution be amended by adding Subsection (c) to read as follows:

2 (c) Except as otherwise provided by this subsection, the legislature by
 3 general law shall exempt from ad valorem taxation for school district purposes up to
 4 Ten Thousand Dollars
 5 (\$10,000) of the residence homestead of a married or unmarried adult, including one
 6 living alone. In addition to this exemption and any exemption adopted pursuant to
 7 Subsection (b) of this section, an additional Ten Thousand Dollars (\$10,000) of the
 8 residence homestead of a married or unmarried person sixty-five (65) years of age
 9 or older, including one living alone; or a disabled person as defined by general
 10 law who is married or unmarried, including one living alone, shall be exempted by
 11 general law from ad valorem taxation for school district purposes, except as other-
 12 wise provided by this subsection. The exemptions provided by this subsection do not
 13 apply to the taxes needed to pay principal or interest on bonded indebtedness. If
 14 the exemption authorized by this subsection is granted on a market value basis, and
 15 if a school district has granted an exemption under Subsection (b) of this section
 16 prior to January 1, 1979 either by action of its governing body or by approval at
 17 an election, that exemption shall remain in effect without further action; however,
 18 the legislature by general law shall provide for the conversion of that exemption
 19 from assessed value to market value and the use of the converted value in determining
 20 the mandated exemption required in this subsection. The legislature by general law
 21 may provide for determining the amounts of school district ad valorem tax revenues
 22 lost as a result of the exemptions required by this subsection, and may provide for
 23 payments by the state to the school district to replace these lost revenues. The
 24 legislature by general law may provide a definition of residence homestead for
 25 purposes of this section.

26 SECTION 4. That Article VIII, Section 3, of the Texas Constitution be
 27 amended to read as follows:

28 Sec. 3. Taxes shall be levied and collected by general laws and for
 29 public purposes only. Any general law adopting a new or additional state tax or
 30 increasing the rate of an existing state tax must be approved by a record vote of
 31 a majority of the members elected to each house on second and third reading and,
 32 except to override the Governor's veto, on any other vote that may constitute
 33 final passage.

SECTION 5. That Article VIII of the Texas Constitution be

amended by adding Section 21 to read as follows:

Sec. 21. (a) The total amount of property taxes imposed by a political subdivision may not exceed the total amount of property taxes imposed by the subdivision in the preceding year until the governing body has given notice of its intent to consider an increase in taxes and has held a public hearing on the proposed increase. The legislature shall prescribe by law the form, content, timing, and methods of giving the notice and the rules for the conduct of the hearing.

(b) The legislature by general law shall require that, subject to ^{reasonable} ~~reasonable~~ exceptions, a property owner be given notice of a revaluation and the subsequent reduction of the tax rate or assessment ratio that would be necessary to provide the prior year's total amount of property taxes imposed before the procedures required in subsection (a) are instituted.

(c) Under procedures prescribed and subject to conditions or exceptions imposed by general law, the qualified electors of a political subdivision by petition may require that an election be held in the political subdivision to repeal a tax increase.

SECTION 6. This amendment shall be effective January 1, 1979.

SECTION 7. The secretary of state shall designate this proposed constitutional amendment as "The Special Session Amendment" and shall place the proposition prior to any other proposition on the ballot for the election to be held on November 7, 1978.

C.S.H.J.R. No. 1

1 SECTION 8. This proposed constitutional amendment shall be
2 submitted to the voters at an election to be held on November 7,
3 1978. The ballot shall be printed to provide for voting for or
4 against the proposition: "The constitutional amendment providing
5 for tax relief for residential homesteads, elderly persons,
6 disabled persons and agricultural land; for truth in taxation
7 procedures, including citizen involvement; and for a redefinition
8 of the tax base."
9

10 -END-

2

JUL 26 1978

DATE

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

AMENDMENT NO.

2

BY

MCLEOD

Von Dohlen amendment to

Amend the C.S.H.J.R. No. 1 as follows:

(1) On page 1, lines 15 and 16, strike the period after "State", strike "It may also tax incomes of both natural persons and corporations other than municipal", and substitute the following: "[~~It may also tax incomes of both natural persons and corporations other than municipal~~]".

(2) On page 4, lines ²⁵~~25~~ through ³²~~26~~, strike Section 4 and substitute the following:

SECTION 4. That Article VIII, Section 3, of the Texas Constitution be amended to read as follows:

Sec. 3. (a) Taxes shall be levied and collected by general laws and for public purposes only.

(b) No tax may be imposed on the net incomes of individuals or corporations.

(c) Any general law adopting a new or additional state tax or increasing the rate of an existing state tax must be approved by a record vote of a majority of the members elected to each house on second and third reading and, except to override the Governor's veto, on any other vote that may constitute final passage.

amendment no ③

By Hallam

amend Van Dahlen - Olson amendment
to C. S. H. J. R. no. 1 by inserting
on page 1 line 20 between the
word "income" and the word "and"
the following: "not to exceed \$30,000.00
in acquisition cost," and to amend
line 21 after the word "income"
by inserting the following: "not to
exceed \$30,000.00 in acquisition
cost."

JUL 26 1978

DATE

READ AND ADOPTED

CHIEF CLERK

HOUSE OF REPRESENTATIVES

Betty Murray

(4)

By Salinas

as Subs.

Olson
Amend ~~Schiffer~~, Close, et al C.S.H.J.R.#1,

page 1, line 21:

by inserting the following language,
"automobiles for personal family use" after
the word "income" on line 21 and
before the word "shall" on line 22.

DATE JUL 26 1978

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

Betty Murray

5

Sullivan

Amend C.S.H.J.R. 1

amend

to amend

~~Beginning on p. 1, 1.19~~

~~by adding the words "held or" after the word "not";~~

~~and on p. 1, 1.20 by adding the words "held or" after the~~
~~word "not".~~

and on p. 1, 1.21 after the word "income" by adding the
following: "and one motor vehicle not held or used for production
of income and owned by a family or by an individual who is not a
constituent of a family."

DATE JUL 26 1978

READ AND ADOPTED

Betty Murray
CHIEF CLERK
HOUSE OF REPRESENTATIVES

JUL 27 1978

DATE

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

Betty Murray

or

Subs.

Amendment No.

6

By

Wilson

the Von Dohlen amendment to

Amend ~~Amendment 1~~ to C.S.H.J.R. 1 by striking section 2 and substituting the following:

"Section 2. That Article VIII, Section 1-d, of the Texas Constitution be amended by adding a Section 1-d-1 to read as follows:

Section 1-d-1. (a) The legislature shall provide by general law for taxation of open-space land devoted to farm or ranch purposes on the basis of its productive capacity and may provide by general law for taxation of open-space land devoted to timber production on the basis of its productive capacity. The legislature by general law may provide eligibility limitations under this section and may impose sanctions in furtherance of the taxation policy of this section.

(b) If a property owner qualifies his land for designation for agricultural use under Section 1-d of this article, the land is subject to the provisions of Section 1-d for the year in which the designation is effective and is not subject to a law enacted under this section 1-d-1 in that year."

Substitute

Amendment No.

(7)

By

Wilson

the Von Dohlen amendment to

Amend ~~Amendment 1~~ to C.S.H.J.R. 1 by striking section 2 and substituting the following:

"Section 2. That Article VIII, Section 1-d, of the Texas Constitution be amended by adding a Section 1-d-1 to read as follows:

Section 1-d-1. (a) The legislature shall provide by general law for taxation of open-space land devoted to farm or ranch purposes on the basis of its productive capacity and may provide by general law for taxation of open-space land devoted to timber production on the basis of its productive capacity. *IN NO EVENT SHALL OPEN SPACE LAND DEVOTED TO TIMBER PRODUCTION* ^{be} *TAXED LESS THAN TAXES LEVIED IN 1978 ON THAT LAND* The legislature by general law may provide eligibility limitations under this section and may impose sanctions in furtherance of the taxation policy of this section.

(b) If a property owner qualifies his land for designation for agricultural use under Section 1-d of this article, the land is subject to the provisions of Section 1-d for the year in which the designation is effective and is not subject to a law enacted under this section 1-d-1 in that year."

DATE JUL 27 1978
READ AND ADOPTED *Betty Murray*
CHIEF CLERK
HOUSE OF REPRESENTATIVES

Amendment # 8 to Olson Amendment to CSHJR # 1

by Smith

"On lines 20 and 21, Page 4, change the word
'may' to 'shall'.

DATE JUL 28 1978

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

by

Coleman

the Von Dohlen Amendment to

Amend C.S.H.J.R. No. 1 by adding the following language after the

word "replace" on line ²²~~15~~, page 4:

"all or part of "

DATE JUL 28 1978

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

Betty Murray

~~RECEIVED JUL 28 1978~~
~~U.S. HOUSE OF REPRESENTATIVES~~
~~CLERK OF THE HOUSE~~
~~RECEIVED JUL 28 1978~~
~~U.S. HOUSE OF REPRESENTATIVES~~
~~CLERK OF THE HOUSE~~

9.4
AMENDMENT NO.

10

24
BY KUBIAK

Amend Jon Dohm substitute to

~~Amend~~ C.S.H.J.R. No. 1 by adding the following between the

28

words, "tax" and "or" on line ~~28~~, page 4:

", repealing or reducing a state tax exemption"

DATE JUL 28 1978
READ AND ADOPTED
CHIEF CLERK
HOUSE OF REPRESENTATIVES
Betty Murray

EXPLANATION: Repealing or reducing an exemption will increase taxes just as surely as a new tax or a rate increase. It should be no easier to eliminate exemptions than it is to raise taxes by other means.

Amendment No.

(11)

By:

Benedict W. Doll
7

Amend the Olson amendment by deleting all of lines 2-4 on page 5 and substituting therefore the following:

"Sec. 21. (a) The total amount of property taxes imposed by a political subdivision on the property taxed by the political subdivision during the preceding year may not exceed the total amount of property taxes imposed by the political subdivision in the preceding year on the same property until the"

JUL 28 1978

DATE

READ AND ADOPTED

CHIEF CLERK
HOUSE OF REPRESENTATIVES

Betty Murray

Amendment No.

12

By

Ceverho

also amend to ∞ Subs

Amend C.S.H.J.R. 1, SECTION 5 to read as follows:

"That Article VIII of the Texas Constitution be amended by adding Sec. 21 to read as follows:

Sec. 21 (a) Except as otherwise provided by this section, legislative appropriations from state tax revenue for a fiscal biennium may not exceed the total of those appropriations for the preceding biennium by more than the amount that would result from a percentage increase equaling the percentage of growth of total personal income of the state during the previous biennium."

and renumbering subsequent paragraphs according.

JUL 28 1978
DATE
READ AND ADOPTED
CHIEF CLERK
HOUSE OF REPRESENTATIVES
D. M. Murray

13

Subs.
to

Ceveria
amendment

Donaldson
Ceveria
Schuyler

SUBSTITUTE TO CEVERIA AMENDMENT

BY

Wright Roblin

Amend Olson amendment to C.S.H.J.R. 1, SECTION 5 to read as follows:

"That Article VIII of the Texas Constitution be amended by adding Section 21 to read as follows:

Sec. 21 (a) Except as otherwise provided by this section, legislative appropriations from state tax revenue for a fiscal biennium may not exceed the total of those appropriations for the preceding biennium by more than the amount that would result from a percentage increase equaling the percentage of growth of total personal income of the state during the previous biennium, as reported by the Comptroller of Public Accounts.

(b) The limitation in subsection (a) hereof shall not apply to appropriations and tax increases necessary to provide for reimbursement to school districts to replace revenues lost by partial or total abolition of ad valorem property taxes.

(c) If the legislature by adoption of a resolution approved by a record vote of three-fifths of the members of each house, finds that an emergency exists and identifies the nature of the emergency, the legislature may provide for appropriations in excess of the amount authorized by Subsection (a) of this section. The excess authorized under this subsection may not exceed the amount specified in the resolution.

(d) In no case shall appropriations exceed revenues as provided in Article III, Section 49.A

and renumbering subsequent paragraphs according.

DATE JUL 28 1978
READ AND ADOPTED Betty Murray
CLERK OF THE HOUSE OF REPRESENTATIVES

3

ENGROSSED
SECOND READING

By Von Dohlen, et al.

H.J.R. No. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to ad valorem
2 taxation of agricultural property, exemptions of certain property
3 from taxation, limitations on increases in total property tax
4 revenues, and limitations on state taxation.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. That Article VIII, Section 1, of the Texas
7 Constitution be amended to read as follows:

8 Sec. 1. Taxation shall be equal and uniform. All real
9 property and tangible personal property in this State, whether
10 owned by natural persons or corporations, other than municipal,
11 shall be taxed in proportion to its value, which shall be
12 ascertained as may be provided by law. The Legislature may impose
13 a tax on intangible property and ~~[poll tax. It]~~ may also impose
14 occupation taxes, both upon natural persons and upon corporations,
15 other than municipal, doing any business in this State~~[. It may~~
16 ~~also tax incomes of both natural persons and corporations other~~
17 ~~than municipal]~~, except that persons engaged in mechanical and
18 agricultural pursuits shall never be required to pay an occupation
19 tax; Provided, that ~~[two hundred and fifty dollars worth of]~~
20 household goods not used for the production of income not to exceed
21 \$30,000 in acquisition cost, and personal effects not used for the
22 production of income not to exceed \$30,000 in acquisition cost, and
23 one motor vehicle not held or used for production of income and
24 owned by a family or by an individual who is not a constituent of a

1 ~~family [and kitchen furniture, belonging to each family in this~~
2 ~~State]~~ shall be exempt from ad valorem taxation, and provided
3 further that the occupation tax levied by any county, city or town
4 for any year on persons or corporations pursuing any profession or
5 business, shall not exceed one half of the tax levied by the State
6 for the same period on such profession or business.

7 SECTION 2. That Article VIII of the Texas Constitution be
8 amended by adding Section 1-d-1 to read as follows:

9 Sec. 1-d-1. (a) The legislature shall provide by general
10 law for taxation of open-space land devoted to farm or ranch
11 purposes on the basis of its productive capacity and may provide by
12 general law for taxation of open-space land devoted to timber
13 production on the basis of its productive capacity. In no event
14 shall open-space land devoted to timber production be taxed less
15 than taxes levied in 1978 on that land. The legislature by general
16 law may provide eligibility limitations under this section and may
17 impose sanctions in furtherance of the taxation policy of this
18 section.

19 (b) If a property owner qualifies his land for designation
20 for agricultural use under Section 1-d of this article, the land is
21 subject to the provisions of Section 1-d for the year in which the
22 designation is effective and is not subject to a law enacted under
23 this Section 1-d-1 in that year.

24 SECTION 3. That Article VIII, Section 1-b, of the Texas
25 Constitution be amended by adding Subsection (c) to read as
26 follows:

27 (c) Except as otherwise provided by this subsection, the

1 legislature by general law shall exempt from ad valorem taxation
2 for school district purposes up to Ten Thousand Dollars (\$10,000)
3 of the residence homestead of a married or unmarried adult,
4 including one living alone. In addition to this exemption and any
5 exemption adopted pursuant to Subsection (b) of this section, an
6 additional Ten Thousand Dollars (\$10,000) of the residence
7 homestead of a married or unmarried person sixty-five (65) years of
8 age or older, including one living alone, or a disabled person as
9 defined by general law who is married or unmarried, including one
10 living alone, shall be exempted by general law from ad valorem
11 taxation for school district purposes, except as otherwise provided
12 by this subsection. The exemptions provided by this subsection do
13 not apply to the taxes needed to pay principal or interest on
14 bonded indebtedness. If the exemption authorized by this
15 subsection is granted on a market value basis, and if a school
16 district has granted an exemption under Subsection (b) of this
17 section prior to January 1, 1979, either by action of its governing
18 body or by approval at an election, that exemption shall remain in
19 effect without further action; however, the legislature by general
20 law shall provide for the conversion of that exemption from
21 assessed value to market value and the use of the converted value
22 in determining the mandated exemption required in this subsection.
23 The legislature by general law shall provide for determining the
24 amounts of school district ad valorem tax revenues lost as a result
25 of the exemptions required by this subsection, and shall provide
26 for payments by the state to the school district to replace all or
27 part of these lost revenues. The legislature by general law may

1 provide a definition of residence homestead for purposes of this
2 section.

3 SECTION 4. That Article VIII, Section 3, of the Texas
4 Constitution be amended to read as follows:

5 Sec. 3. (a) Taxes shall be levied and collected by general
6 laws and for public purposes only.

7 (b) No tax may be imposed on the net incomes of individuals
8 or corporations.

9 (c) Any general law adopting a new or additional state tax,
10 repealing or reducing a state tax exemption, or increasing the rate
11 of an existing state tax must be approved by a record vote of a
12 majority of the members elected to each house on second and third
13 reading and, except to override the governor's veto, on any other
14 vote that may constitute final passage.

15 SECTION 5. That Article VIII of the Texas Constitution be
16 amended by adding Section 21 to read as follows:

17 Sec. 21. (a) Except as otherwise provided by this section,
18 legislative appropriations from state tax revenue for a fiscal
19 biennium may not exceed the total of those appropriations for the
20 preceding biennium by more than the amount that would result from a
21 percentage increase equaling the percentage of growth of total
22 personal income of the state during the previous biennium, as
23 reported by the comptroller of public accounts.

24 (b) The limitation in Subsection (a) hereof shall not apply
25 to appropriations and tax increases necessary to provide for
26 reimbursement to school districts to replace revenues lost by
27 partial or total abolition of ad valorem property taxes.

1 (c) If the legislature by adoption of a resolution approved
2 by a record vote of three-fifths of the members of each house finds
3 that an emergency exists and identifies the nature of the
4 emergency, the legislature may provide for appropriations in excess
5 of the amount authorized by Subsection (a) of this section. The
6 excess authorized under this subsection may not exceed the amount
7 specified in the resolution.

8 (d) In no case shall appropriations exceed revenues as
9 provided in Article III, Section 49a.

10 SECTION 6. That Article VIII of the Texas Constitution be
11 amended by adding Section 22 to read as follows:

12 Sec. 22. (a) The total amount of property taxes imposed by
13 a political subdivision on the property taxed by the political
14 subdivision during the preceding year may not exceed the total
15 amount of property taxes imposed by the political subdivision in
16 the preceding year on the same property until the governing body
17 has given notice of its intent to consider an increase in taxes and
18 has held a public hearing on the proposed increase. The
19 legislature shall prescribe by law the form, content, timing, and
20 methods of giving the notice and the rules for the conduct of the
21 hearing.

22 (b) The legislature by general law shall require that,
23 subject to reasonable exceptions, a property owner be given notice
24 of a revaluation and the subsequent reduction of the tax rate or
25 assessment ratio that would be necessary to provide the prior
26 year's total amount of property taxes imposed before the procedures
27 required in Subsection (a) are instituted.

1 (c) Under procedures prescribed and subject to conditions or
2 exceptions imposed by general law, the qualified electors of a
3 political subdivision by petition may require that an election be
4 held in the political subdivision to repeal a tax increase.

5 SECTION 7. This amendment shall be effective January 1,
6 1979.

7 SECTION 8. The secretary of state shall designate this
8 proposed constitutional amendment as "The Special Session
9 Amendment" and shall place the proposition prior to any other
10 proposition on the ballot for the election to be held on November
11 7, 1978.

12 SECTION 9. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held on November 7,
14 1978. The ballot shall be printed to provide for voting for or
15 against the proposition: "The constitutional amendment providing
16 for tax relief for residential homesteads, elderly persons,
17 disabled persons and agricultural land; for truth in taxation
18 procedures, including citizen involvement; and for a redefinition
19 of the tax base."

-END-

Substitute

Al Brown
Bussone
McTigue

Amato Hill

Bird
Johnson
Browder

Samuel

Davis

Don City

Bealaya

Almon

W. Doherty O/Son

AMENDMENT NO. Hollowell

BY JONES Hall of Wells

Amend H.J.R. No. 1 by striking all below the resolving clause and substituting the following:

SECTION 1. That Article VIII, Section 1, of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may impose a tax on intangible property and [poll tax. It] may also impose occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax; Provided, that [two hundred and fifty dollars worth of] household goods not used for the production of income not to exceed \$30,000 in acquisition cost, and personal effects not used for the production of income not to exceed \$30,000 in acquisition cost, and one motor vehicle not held or used for production of income and owned by a family or by an individual who is not a constituent of a family [and kitchen furniture, belonging to each family in this State] shall be exempt from ad valorem taxation, and provided further that the occupation tax levied by any county, city or town

65S467 JRP-F

1

DATE AUG 2 1978

READ AND ADOPTED

Betty M. [Signature]
CHIEF CLERK
HOUSE OF REPRESENTATIVES

by record vote 104 yeas 29 nays 10 prxy

1 for any year on persons or corporations pursuing any profession or
2 business, shall not exceed one half of the tax levied by the State
3 for the same period on such profession or business.

4 SECTION 2. That Article VIII of the Texas Constitution be
5 amended by adding Section 1-d-1 to read as follows:

6 Sec. 1-d-1. (a) The legislature shall provide by general
7 law for taxation of open-space land devoted to farm or ranch
8 purposes on the basis of its productive capacity and may provide by
9 general law for taxation of open-space land devoted to timber
10 production on the basis of its productive capacity. In no event
11 shall open-space land devoted to timber production be taxed less
12 than taxes levied in 1978 on that land. The legislature by general
13 law may provide eligibility limitations under this section and may
14 impose sanctions in furtherance of the taxation policy of this
15 section. However, land belonging to alien owners, whether
16 individual or corporate, is not eligible for taxation on the basis
17 of productive capacity. The legislature by general law may define
18 alien ownership.

19 (b) If a property owner qualifies his land for designation
20 for agricultural use under Section 1-d of this article, the land is
21 subject to the provisions of Section 1-d for the year in which the
22 designation is effective and is not subject to a law enacted under
23 this section in that year.

24 (c) Chapter 318, Acts of the 65th Legislature, Regular
25 Session, 1977, is validated effective January 1, 1979, to the
26 extent that it is not inconsistent with this section.

27 SECTION 3. That Article VIII, Section 1-b, of the Texas

1 Constitution be amended by adding Subsection (c) to read as
2 follows:

3 (c) Except as otherwise provided by this subsection, the
4 legislature by general law shall exempt from ad valorem taxation
5 for school district purposes an amount not to exceed Ten Thousand
6 Dollars (\$10,000) of the assessed value of the residence homestead
7 of a married or unmarried adult, including one living alone. In
8 addition to this exemption, an additional Ten Thousand Dollars
9 (\$10,000) of the assessed value of the residence homestead of a
10 married or unmarried person sixty-five (65) years of age or older,
11 including one living alone, or a disabled person as defined by
12 general law who is married or unmarried, including one living
13 alone, is exempted from ad valorem taxation for school district
14 purposes, except as otherwise provided by this subsection. Any
15 exemption adopted by a school district pursuant to Subsection (b)
16 of this section applies only to the extent that it exceeds Ten
17 Thousand Dollars (\$10,000). The exemptions provided by this
18 subsection do not apply to the taxes needed to pay principal or
19 interest on bonded indebtedness. The legislature by general law
20 shall provide for determining the amounts of school district ad
21 valorem tax revenues lost as a result of the exemptions required by
22 this subsection, and shall provide for payments by the state to the
23 school districts to replace all or part of these lost revenues.
24 The legislature by general law may provide a definition of
25 residence homestead for purposes of this section.

26 SECTION 4. That Article VIII, Section 3, of the Texas
27 Constitution be amended to read as follows:

1 Sec. 3. (a) Taxes shall be levied and collected by general
2 laws and for public purposes only.

3 (b) Any general law adopting a new or additional state tax,
4 repealing or reducing a state tax exemption, or increasing the rate
5 of an existing state tax must be approved by a record vote of a
6 majority of the members elected to each house on second and third
7 reading and, except to override the governor's veto, on any other
8 vote that may constitute final passage.

9 SECTION 5. That Article VIII of the Texas Constitution be
10 amended by adding Section 21 to read as follows:

11 Sec. 21. (a) Except as otherwise provided by this section,
12 legislative appropriations for a fiscal biennium may not exceed the
13 total of those appropriations for the preceding biennium by more
14 than the amount that would result from a percentage increase
15 equaling the percentage of growth of total personal income of the
16 state during the previous biennium, as reported by the comptroller
17 of public accounts.

18 (b) In computing the limitation prescribed by Subsection (a)
19 of this section, the following are excluded:

20 (1) appropriations and tax increases necessary to provide
21 payments to school districts to replace revenues lost by partial or
22 total abolition of ad valorem taxes;

23 (2) appropriations of funds received from the federal
24 government;

25 (3) appropriations of funds created, dedicated, or
26 appropriated by this constitution; and

27 (4) appropriations of gifts, grants, or donations received

1 by the state or an agency of the state or appropriations of income
2 from the gifts, grants, or donations.

3 (c) If the legislature by adoption of a resolution approved
4 by a record vote of three-fifths of the members of each house
5 finds that an emergency exists and identifies the nature of the
6 emergency, the legislature may provide for appropriations in excess
7 of the amount authorized by Subsection (a) of this section. The
8 excess authorized under this subsection may not exceed the amount
9 specified in the resolution.

10 (d) In no case shall appropriations exceed revenues as
11 provided in Article III, Section 49a.

12 SECTION 6. That Article VIII of the Texas Constitution be
13 amended by adding Section 22 to read as follows:

14 Sec. 22. (a) Subject to any exceptions prescribed by
15 general law, the total amount of property taxes imposed by a
16 political subdivision in any year may not exceed the total amount
17 of property taxes imposed by that subdivision in the preceding year
18 unless the governing body of the subdivision gives notice of its
19 intent to consider an increase in taxes and holds a public hearing
20 on the proposed increase before it increases those total taxes.
21 The legislature shall prescribe by law the form, content, timing,
22 and methods of giving the notice and the rules for the conduct of
23 the hearing.

24 (b) In calculating the total amount of taxes imposed in the
25 current year for the purposes of Subsection (a) of this section,
26 the taxes on property in territory added to the political
27 subdivision since the preceding year and on new improvements that

1 were not taxable in the preceding year are excluded. In
2 calculating the total amount of taxes imposed in the preceding year
3 for the purposes of Subsection (a) of this section, the taxes
4 imposed on real property that is not taxable by the subdivision in
5 the current year are excluded.

6 (c) The legislature by general law shall require that,
7 subject to reasonable exceptions, a property owner be given notice
8 of a revaluation and the subsequent reduction of the tax rate or
9 assessment ratio that would be necessary to provide the prior
10 year's total amount of property taxes imposed before the procedures
11 required in Subsection (a) are instituted.

12 SECTION 7. That Article VIII of the Texas Constitution be
13 amended by adding Section 23 to read as follows:

14 Sec. 23. (a) The legislature by general law shall provide
15 for establishment and enforcement of standards and procedures for
16 appraisal of property for ad valorem tax purposes. These standards
17 and procedures must be applied uniformly throughout the state.
18 Except as limited by general law, a political subdivision that
19 imposes taxes on property may compel enforcement of these standards
20 and procedures.

21 (b) Within each county, a single local governmental entity
22 shall appraise taxable property for ad valorem tax purposes for all
23 political subdivisions except the county as prescribed by general
24 law, and each political subdivision, other than the county, that
25 imposes taxes on property shall tax on the basis of that appraisal.
26 The legislature by general law may provide that the appraising
27 entity appraise outside the county for political subdivisions with

1 boundaries overlapping county boundaries.

2 SECTION 8. This amendment takes effect January 1, 1979.

3 SECTION 9. The secretary of state shall designate this
4 proposed constitutional amendment as "The Special Session
5 Amendment" and shall place the proposition prior to any other
6 proposition on the ballot for the election to be held on November
7 7, 1978.

8 SECTION 10. This proposed constitutional amendment shall be
9 submitted to the voters at an election to be held on November 7,
10 1978. The ballot shall be printed to provide for voting for or
11 against the proposition: "The constitutional amendment providing
12 for tax relief for residential homesteads, elderly persons,
13 disabled persons, and agricultural land; for personal property
14 exemptions; for truth in taxation procedures, including citizen
15 involvement; for a redefinition of the tax base; for limitations on
16 state spending and taxation; and for property tax administration."

HOUSE ENGROSSMENT

2nd. Printing

English

By Von Dohlen, Olson, et al.

H.J.R. No. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to ad valorem
2 taxation of agricultural property, exemptions of certain property
3 from taxation, limitations on increases in total property tax
4 revenues, and limitations on state taxation.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. That Article VIII, Section 1, of the Texas
7 Constitution be amended to read as follows:

8 Sec. 1. Taxation shall be equal and uniform. All real
9 property and tangible personal property in this State, whether
10 owned by natural persons or corporations, other than municipal,
11 shall be taxed in proportion to its value, which shall be
12 ascertained as may be provided by law. The Legislature may impose
13 a tax on intangible property and [~~poll-tax---~~It] may also impose
14 occupation taxes, both upon natural persons and upon corporations,
15 other than municipal, doing any business in this State. It may
16 also tax incomes of both natural persons and corporations other
17 than municipal, except that persons engaged in mechanical and
18 agricultural pursuits shall never be required to pay an occupation
19 tax; Provided, that [~~two--hundred--and--fifty--dollars-worth-of~~]
20 household goods not used for the production of income not to exceed
21 \$30,000 in acquisition cost, and personal effects not used for the
22 production of income not to exceed \$30,000 in acquisition cost, and
23 one motor vehicle not held or used for production of income and
24 owned by a family or by an individual who is not a constituent of a

1 family [~~and-kitchen-furniture,-belonging-to--each--family--in--this~~
2 ~~State~~] shall be exempt from ad valorem taxation, and provided
3 further that the occupation tax levied by any county, city or town
4 for any year on persons or corporations pursuing any profession or
5 business, shall not exceed one half of the tax levied by the State
6 for the same period on such profession or business.

7 SECTION 2. That Article VIII of the Texas Constitution be
8 amended by adding Section 1-d-1 to read as follows:

9 Sec. 1-d-1. (a) The legislature shall provide by general
10 law for taxation of open-space land devoted to farm or ranch
11 purposes on the basis of its productive capacity and may provide by
12 general law for taxation of open-space land devoted to timber
13 production on the basis of its productive capacity. In no event
14 shall open-space land devoted to timber production be taxed less
15 than taxes levied in 1978 on that land. The legislature by general
16 law may provide eligibility limitations under this section and may
17 impose sanctions in furtherance of the taxation policy of this
18 section. However, land belonging to alien owners, whether
19 individual or corporate, is not eligible for taxation on the basis
20 of productive capacity. The legislature by general law may define
21 alien ownership.

22 (b) If a property owner qualifies his land for designation
23 for agricultural use under Section 1-d of this article, the land is
24 subject to the provisions of Section 1-d for the year in which the
25 designation is effective and is not subject to a law enacted under
26 this section in that year.

27 (c) Chapter 318, Acts of the 65th Legislature, Regular

1 Session, 1977, is validated effective January 1, 1979, to the
2 extent that it is not inconsistent with this section.

3 SECTION 3. That Article VIII, Section 1-b, of the Texas
4 Constitution be amended by adding Subsection (c) to read as
5 follows:

6 (c) Except as otherwise provided by this subsection, the
7 legislature by general law shall exempt from ad valorem taxation
8 for school district purposes an amount not to exceed Ten Thousand
9 Dollars (\$10,000) of the assessed value of the residence homestead
10 of a married or unmarried adult, including one living alone. In
11 addition to this exemption, an additional Ten Thousand Dollars
12 (\$10,000) of the assessed value of the residence homestead of a
13 married or unmarried person sixty-five (65) years of age or older,
14 including one living alone, or a disabled person as defined by
15 general law who is married or unmarried, including one living
16 alone, is exempted from ad valorem taxation for school district
17 purposes, except as otherwise provided by this subsection. Any
18 exemption adopted by a school district pursuant to Subsection (b)
19 of this section applies only to the extent that it exceeds Ten
20 Thousand Dollars (\$10,000). The exemptions provided by this
21 subsection do not apply to the taxes needed to pay principal or
22 interest on bonded indebtedness. The legislature by general law
23 shall provide for determining the amounts of school district ad
24 valorem tax revenues lost as a result of the exemptions required by
25 this subsection, and shall provide for payments by the state to the
26 school districts to replace all or part of these lost revenues.
27 The legislature by general law may provide a definition of

1 residence homestead for purposes of this section.

2 SECTION 4. That Article VIII, Section 3, of the Texas
3 Constitution be amended to read as follows:

4 Sec. 3. (a) Taxes shall be levied and collected by general
5 laws and for public purposes only.

6 (b) Any general law adopting a new or additional state tax,
7 repealing or reducing a state tax exemption, or increasing the rate
8 of an existing state tax must be approved by a record vote of a
9 majority of the members elected to each house on second and third
10 reading and, except to override the governor's veto, on any other
11 vote that may constitute final passage.

12 SECTION 5. That Article VIII of the Texas Constitution be
13 amended by adding Section 21 to read as follows:

14 Sec. 21. (a) Except as otherwise provided by this section,
15 legislative appropriations for a fiscal biennium may not exceed the
16 total of those appropriations for the preceding biennium by more
17 than the amount that would result from a percentage increase
18 equaling the percentage of growth of total personal income of the
19 state during the previous biennium, as reported by the comptroller
20 of public accounts.

21 (b) In computing the limitation prescribed by Subsection (a)
22 of this section, the following are excluded:

23 (1) appropriations and tax increases necessary to provide
24 payments to school districts to replace revenues lost by partial or
25 total abolition of ad valorem taxes;

26 (2) appropriations of funds received from the federal
27 government;

1 (3) appropriations of funds created, dedicated, or
2 appropriated by this constitution; and

3 (4) appropriations of gifts, grants, or donations received
4 by the state or an agency of the state or appropriations of income
5 from the gifts, grants, or donations.

6 (c) If the legislature by adoption of a resolution approved
7 by a record vote of three-fifths of the members of each house
8 finds that an emergency exists and identifies the nature of the
9 emergency, the legislature may provide for appropriations in excess
10 of the amount authorized by Subsection (a) of this section. The
11 excess authorized under this subsection may not exceed the amount
12 specified in the resolution.

13 (d) In no case shall appropriations exceed revenues as
14 provided in Article III, Section 49a.

15 SECTION 6. That Article VIII of the Texas Constitution be
16 amended by adding Section 22 to read as follows:

17 Sec. 22. (a) Subject to any exceptions prescribed by
18 general law, the total amount of property taxes imposed by a
19 political subdivision in any year may not exceed the total amount
20 of property taxes imposed by that subdivision in the preceding year
21 unless the governing body of the subdivision gives notice of its
22 intent to consider an increase in taxes and holds a public hearing
23 on the proposed increase before it increases those total taxes.
24 The legislature shall prescribe by law the form, content, timing,
25 and methods of giving the notice and the rules for the conduct of
26 the hearing.

27 (b) In calculating the total amount of taxes imposed in the

1 current year for the purposes of Subsection (a) of this section,
2 the taxes on property in territory added to the political
3 subdivision since the preceding year and on new improvements that
4 were not taxable in the preceding year are excluded. In
5 calculating the total amount of taxes imposed in the preceding year
6 for the purposes of Subsection (a) of this section, the taxes
7 imposed on real property that is not taxable by the subdivision in
8 the current year are excluded.

9 (c) The legislature by general law shall require that,
10 subject to reasonable exceptions, a property owner be given notice
11 of a revaluation and the subsequent reduction of the tax rate or
12 assessment ratio that would be necessary to provide the prior
13 year's total amount of property taxes imposed before the procedures
14 required in Subsection (a) are instituted.

15 SECTION 7. That Article VIII of the Texas Constitution be
16 amended by adding Section 23 to read as follows:

17 Sec. 23. (a) The legislature by general law shall provide
18 for establishment and enforcement of standards and procedures for
19 appraisal of property for ad valorem tax purposes. These standards
20 and procedures must be applied uniformly throughout the state.
21 Except as limited by general law, a political subdivision that
22 imposes taxes on property may compel enforcement of these standards
23 and procedures.

24 (b) Within each county, a single local governmental entity
25 shall appraise taxable property for ad valorem tax purposes for all
26 political subdivisions except the county as prescribed by general
27 law, and each political subdivision, other than the county, that

1 imposes taxes on property shall tax on the basis of that appraisal.
2 The legislature by general law may provide that the appraising
3 entity appraise outside the county for political subdivisions with
4 boundaries overlapping county boundaries.

5 SECTION 8. This amendment takes effect January 1, 1979.

6 SECTION 9. The secretary of state shall designate this
7 proposed constitutional amendment as "The Special Session
8 Amendment" and shall place the proposition prior to any other
9 proposition on the ballot for the election to be held on November
10 7, 1978.

11 SECTION 10. This proposed constitutional amendment shall be
12 submitted to the voters at an election to be held on November 7,
13 1978. The ballot shall be printed to provide for voting for or
14 against the proposition: "The constitutional amendment providing
15 for tax relief for residential homesteads, elderly persons,
16 disabled persons, and agricultural land; for personal property
17 exemptions; for truth in taxation procedures, including citizen
18 involvement; for a redefinition of the tax base; for limitations on
19 state spending and taxation; and for property tax administration."

-END-

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

August 3, 1978

Honorable A. M. Aikin, Jr., Chairman
Committee on Senate Finance
Senate Chamber
Austin, Texas

In Re: Committee Substitute for
H.J.R. No. 1, as engrossed
Second Called Session
65th Legislature

Sir:

In response to your request pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of Committee Substitute for H.J.R. No. 1, as engrossed, Second Called Session, 65th Legislature (proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, and conditions for increases in total property tax revenues) to be as follows:

The Resolution, should it be adopted, would amend the Texas Constitution so as to no longer require that the ad valorem tax base include intangible personal property. The Legislature would be authorized to exempt household goods and personal effects not used for the production of income. Because these types of property are at present substantially missing from the tax rolls of nearly all taxing units, basic data are not available on which to base accurate estimates of the probable loss of revenue to property taxing units attributable to these provisions of the Resolution.

The Resolution would require the Legislature by general law to establish separate formulas for appraising land to promote the preservation of open-space land devoted to farm or ranch purposes and would authorize the Legislature by general law to establish separate formulas for appraising land devoted to timber production. Because of uncertainty as to the level of assessment currently in use among local taxing units and the nature of the separate formulas which might be adopted by the Legislature to implement the Resolution, the fiscal impact on local governments of the Resolution, should it be adopted, cannot be ascertained.

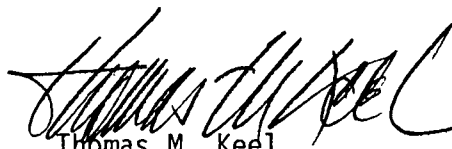
The Resolution would authorize the governing body of any political subdivision to exempt by its own action not less than \$3,000 of assessed valuation of residence homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance. There are 224,133 individuals receiving social security disability insurance, having been adjudicated as permanently disabled; of these, about 20 percent are in institutions, leaving some 180,000 non-institutionalized. Basic data are not available, however, to estimate the reduction in tax levies that may be associated with this exemption through action by local governing bodies.

The Resolution would exempt from local school district taxes \$5,000 of the market value of residence homesteads, and in addition an amount prescribed by general law not to exceed \$10,000 of market value of each residence homestead of a person who is disabled and of a person 65 years of age or older. The Legislature by general law may base the amount of the additional exemption for the disabled and the elderly on economic need. The total amount of ad valorem taxes imposed on a homestead of a person 65 years of age or older by a local school district may not be increased while it remains the homestead of that person or that person's spouse, unless there are improvements other than repairs

which increase the value of the homestead. It is estimated that there would be about \$247.6 million in school district levies associated with the general homestead exemption set forth in the Resolution in the 1980-81 biennium--an annual average of \$123.8 million. The maximum potential school district levies associated with the additional \$10,000 exemption for the elderly is estimated for the 1980-81 biennium to be \$46 million -- an annual average of \$23 million. The estimate for the elderly would be reduced to the extent that the Legislature by its actions limits the exemption to less than \$10,000 or to the extent that school districts change their present exemptions for the elderly. The impact on school levies would continue in years subsequent to the 1980-81 biennium. Basic data are not available on which to estimate the dollar amount of levies that would be associated with exemptions for the disabled. The definition of "market value" used in these estimates is the market value determined by the school district assessor.

The provisions of the Resolution concerning procedures to be followed by a political subdivision intending to increase taxes or revalue property would tend to moderate some proposed tax increases but the dollar amount of such modification cannot be ascertained for purposes of this fiscal note.

The cost of publishing the Resolution, should it be placed on the ballot in November 1978, is estimated to be \$15,300.


Thomas M. Keel
Director

By Von Dohlen, Olson, et al.

H.J.R. No. 1

Substitute the following for H.J.R. No. 1

By 

C.S.H.J.R. No. 1

A. JOINT RESOLUTION

proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, and conditions for increases in total property tax revenues.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VIII, Section 1 of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may impose ~~[a--poll--tax--it--may--also--impose]~~ occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax. The Legislature by general law may exempt ~~[7--Provided,--that--two--hundred--and--fifty--dollars worth--of]~~ household goods not held or used for the production of income and personal effects not held or used for the production of income and the personal property homestead of a family or single adult, "personal property homestead" meaning that personal property exempt by law from forced sale for debt, ~~[and--kitchen--furniture, belonging--to--each--family--in--this--State--shall--be--exempt]~~ from ad valorem taxation. The ~~[7--and--provided--further--that--the]~~ occupation

ADOPTED

AUG 3 1978

1 tax levied by any county, city or town for any year on persons or
2 corporations pursuing any profession or business, shall not exceed
3 one half of the tax levied by the State for the same period on such
4 profession or business.

5 SECTION 2. That Article VIII of the Texas Constitution be
6 amended by adding Section 1-d-1 to read as follows:

7 Sec. 1-d-1. (a) The legislature by general law shall
8 establish separate formulas for appraising land to promote the
9 preservation of open-space land devoted to farm or ranch purposes
10 and by general law may establish separate formulas for appraising
11 land to promote the preservation of forest land devoted to timber
12 production. The legislature by general law may provide limitations
13 and impose sanctions in furtherance of the appraisal policy of this
14 section.

15 (b) If a property owner qualifies his land for designation
16 for agricultural use under Section 1-d of this article, the land is
17 subject to the provisions of Section 1-d for the year in which the
18 designation is effective and is not subject to a law enacted under
19 this Section 1-d-1 in that year.

20 SECTION 3. That Article VIII, Section 1-b of the Texas
21 Constitution be amended by amending Subsection (b) and adding
22 Subsections (c) and (d) to read as follows:

23 (b) From and after January 1, 1973, the governing body of
24 any county, city, town, school district, or other political
25 subdivision of the State may exempt by its own action not less than
26 Three Thousand Dollars (\$3,000) of the assessed value of residence
27 homesteads of persons, married or unmarried, including those living

1 alone, who are under a disability for purposes of payment of
2 disability insurance benefits under Federal Old-Age, Survivors, and
3 Disability Insurance or its successor or of married or unmarried
4 persons sixty-five (65) years of age or older, including those
5 living alone, from all ad valorem taxes thereafter levied by the
6 political subdivision. As an alternative, upon receipt of a
7 petition signed by twenty percent (20%) of the voters who voted in
8 the last preceding election held by the political subdivision, the
9 governing body of the subdivision shall call an election to
10 determine by majority vote whether an amount not less than Three
11 Thousand Dollars (\$3,000) as provided in the petition, of the
12 assessed value of residence homesteads of disabled persons or of
13 persons sixty-five (65) years of age or over shall be exempt from
14 ad valorem taxes thereafter levied by the political subdivision.
15 An eligible disabled person who is sixty-five (65) years of age or
16 older may not receive both exemptions from the same political
17 subdivision in the same year but may choose either if the
18 subdivision has adopted both. Where any ad valorem tax has
19 theretofore been pledged for the payment of any debt, the taxing
20 officers of the political subdivision shall have authority to
21 continue to levy and collect the tax against the homestead property
22 at the same rate as the tax so pledged until the debt is
23 discharged, if the cessation of the levy would impair the
24 obligation of the contract by which the debt was created.

25 (c) Five Thousand Dollars (\$5,000) of the market value of
26 the residence homestead of a married or unmarried adult, including
27 one living alone, is exempt from ad valorem taxation for general

1 elementary and secondary public school purposes. In addition to
2 this exemption, the legislature by general law may exempt an amount
3 not to exceed Ten Thousand Dollars (\$10,000) of the market value of
4 the residence homestead of a person who is disabled as defined in
5 Subsection (b) of this section and of a person sixty-five (65)
6 years of age or older from ad valorem taxation for general
7 elementary and secondary public school purposes. The legislature
8 by general law may base the amount of and condition eligibility for
9 the additional exemption authorized by this subsection for disabled
10 persons and for persons sixty-five (65) years of age or older on
11 economic need. An eligible disabled person who is sixty-five (65)
12 years of age or older may not receive both exemptions from a school
13 district but may choose either. An eligible person is entitled to
14 receive both the exemption required by this subsection for all
15 residence homesteads and any exemption adopted pursuant to
16 Subsection (b) of this section, but the legislature shall provide
17 by general law whether an eligible disabled or elderly person may
18 receive both the additional exemption for the elderly and disabled
19 authorized by this subsection and any exemption for the elderly or
20 disabled adopted pursuant to Subsection (b) of this section. Where
21 ad valorem tax has previously been pledged for the payment of debt,
22 the taxing officers of a school district may continue to levy and
23 collect the tax against the value of homesteads exempted under this
24 subsection until the debt is discharged if the cessation of the
25 levy would impair the obligation of the contract by which the debt
26 was created.

27 (d) Except as otherwise provided by this subsection, if a

1 person receives the residence homestead exemption prescribed by
 2 Subsection (c) of this section for homesteads of persons sixty-five
 3 (65) years of age or older, the total amount of ad valorem taxes
 4 imposed on that homestead for general elementary and secondary
 5 public school purposes may not be increased while it remains the
 6 residence homestead of that person or that person's spouse who
 7 receives the exemption. However, those taxes may be increased to
 8 the extent the value of the homestead is increased by improvements
 9 other than repairs or improvements made to comply with governmental
 10 requirements.

11 SECTION 4. That Article VIII of the Texas Constitution be
 12 amended by adding Section 21 to read as follows:

13 Sec. 21. (a) Subject to exceptions prescribed by general
 14 law, the total amount of property taxes imposed by a political
 15 subdivision may not exceed the total amount of property taxes
 16 imposed by the subdivision in the preceding year unless the
 17 governing body of the subdivision has given adequate notice of its
 18 intent to consider an increase in taxes and has held a public
 19 hearing on the proposed increase. The legislature shall prescribe
 20 by law the form, content, timing, and methods of giving the notice
 21 and the rules for the conduct of the hearing.

22 (b) The legislature by general law shall require that,
 23 subject to reasonable exceptions, a property owner be given notice
 24 of a revaluation of property for tax purposes before the notice
 25 required pursuant to Subsection (a) of this section is given.

26 SECTION 5. The secretary of state shall designate this
 27 proposed constitutional amendment as "Amendment No. 9" on the

1 ballot for the election to be held on November 7, 1978.

2 SECTION 6. This proposed constitutional amendment shall be
3 submitted to the voters at an election to be held on November 7,
4 1978. The ballot shall be printed to provide for voting for or
5 against the proposition: "The constitutional amendment providing
6 for tax relief for homesteads and agricultural land and for
7 limitations on tax increases."

Snelson

SENATE AMENDMENTS

3rd. Printing

By Von Dohlen, Olson, et al.

1978 AUG -4 AM 10:29

H.J.R. No. 1

Substitute the following for H.J.R. No. 1

By 

C.S.H.J.R. No. 1

A. JOINT RESOLUTION

proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, and conditions for increases in total property tax revenues.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VIII, Section 1 of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may impose ~~[a--poll--tax--it--may--also--impose]~~ occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax. The Legislature by general law may exempt ~~[7--Provided,--that--two--hundred--and--fifty--dollars worth--of]~~ household goods not held or used for the production of income and personal effects not held or used for the production of income and the personal property homestead of a family or single adult, "personal property homestead" meaning that personal property exempt by law from forced sale for debt, ~~[and--kitchen--furniture--belonging--to--each--family--in--this--State--shall--be--exempt]~~ from ad valorem taxation. The ~~[7--and--provided--further--that--the]~~ occupation

ADOPTED

AUG 3 1978

1 tax levied by any county, city or town for any year on persons or
2 corporations pursuing any profession or business, shall not exceed
3 one half of the tax levied by the State for the same period on such
4 profession or business.

5 SECTION 2. That Article VIII of the Texas Constitution be
6 amended by adding Section 1-d-1 to read as follows:

7 Sec. 1-d-1. (a) The legislature by general law shall
8 establish separate formulas for appraising land to promote the
9 preservation of open-space land devoted to farm or ranch purposes
10 and by general law may establish separate formulas for appraising
11 land to promote the preservation of forest land devoted to timber
12 production. The legislature by general law may provide limitations
13 and impose sanctions in furtherance of the appraisal policy of this
14 section.

15 (b) If a property owner qualifies his land for designation
16 for agricultural use under Section 1-d of this article, the land is
17 subject to the provisions of Section 1-d for the year in which the
18 designation is effective and is not subject to a law enacted under
19 this Section 1-d-1 in that year.

20 SECTION 3. That Article VIII, Section 1-b of the Texas
21 Constitution be amended by amending Subsection (b) and adding
22 Subsections (c) and (d) to read as follows:

23 (b) From and after January 1, 1973, the governing body of
24 any county, city, town, school district, or other political
25 subdivision of the State may exempt by its own action not less than
26 Three Thousand Dollars (\$3,000) of the assessed value of residence
27 homesteads of persons, married or unmarried, including those living

1 alone, who are under a disability for purposes of payment of
2 disability insurance benefits under Federal Old-Age, Survivors, and
3 Disability Insurance or its successor or of married or unmarried
4 persons sixty-five (65) years of age or older, including those
5 living alone, from all ad valorem taxes thereafter levied by the
6 political subdivision. As an alternative, upon receipt of a
7 petition signed by twenty percent (20%) of the voters who voted in
8 the last preceding election held by the political subdivision, the
9 governing body of the subdivision shall call an election to
10 determine by majority vote whether an amount not less than Three
11 Thousand Dollars (\$3,000) as provided in the petition, of the
12 assessed value of residence homesteads of disabled persons or of
13 persons sixty-five (65) years of age or over shall be exempt from
14 ad valorem taxes thereafter levied by the political subdivision.
15 An eligible disabled person who is sixty-five (65) years of age or
16 older may not receive both exemptions from the same political
17 subdivision in the same year but may choose either if the
18 subdivision has adopted both. Where any ad valorem tax has
19 theretofore been pledged for the payment of any debt, the taxing
20 officers of the political subdivision shall have authority to
21 continue to levy and collect the tax against the homestead property
22 at the same rate as the tax so pledged until the debt is
23 discharged, if the cessation of the levy would impair the
24 obligation of the contract by which the debt was created.

25 (c) Five Thousand Dollars (\$5,000) of the market value of
26 the residence homestead of a married or unmarried adult, including
27 one living alone, is exempt from ad valorem taxation for general

1 elementary and secondary public school purposes. In addition to
2 this exemption, the legislature by general law may exempt an amount
3 not to exceed Ten Thousand Dollars (\$10,000) of the market value of
4 the residence homestead of a person who is disabled as defined in
5 Subsection (b) of this section and of a person sixty-five (65)
6 years of age or older from ad valorem taxation for general
7 elementary and secondary public school purposes. The legislature
8 by general law may base the amount of and condition eligibility for
9 the additional exemption authorized by this subsection for disabled
10 persons and for persons sixty-five (65) years of age or older on
11 economic need. An eligible disabled person who is sixty-five (65)
12 years of age or older may not receive both exemptions from a school
13 district but may choose either. An eligible person is entitled to
14 receive both the exemption required by this subsection for all
15 residence homesteads and any exemption adopted pursuant to
16 Subsection (b) of this section, but the legislature shall provide
17 by general law whether an eligible disabled or elderly person may
18 receive both the additional exemption for the elderly and disabled
19 authorized by this subsection and any exemption for the elderly or
20 disabled adopted pursuant to Subsection (b) of this section. Where
21 ad valorem tax has previously been pledged for the payment of debt,
22 the taxing officers of a school district may continue to levy and
23 collect the tax against the value of homesteads exempted under this
24 subsection until the debt is discharged if the cessation of the
25 levy would impair the obligation of the contract by which the debt
26 was created.

27 (d) Except as otherwise provided by this subsection, if a

1 person receives the residence homestead exemption prescribed by
2 Subsection (c) of this section for homesteads of persons sixty-five
3 (65) years of age or older, the total amount of ad valorem taxes
4 imposed on that homestead for general elementary and secondary
5 public school purposes may not be increased while it remains the
6 residence homestead of that person or that person's spouse who
7 receives the exemption. However, those taxes may be increased to
8 the extent the value of the homestead is increased by improvements
9 other than repairs or improvements made to comply with governmental
10 requirements.

11 SECTION 4. That Article VIII of the Texas Constitution be
12 amended by adding Section 21 to read as follows:

13 Sec. 21. (a) Subject to exceptions prescribed by general
14 law, the total amount of property taxes imposed by a political
15 subdivision may not exceed the total amount of property taxes
16 imposed by the subdivision in the preceding year unless the
17 governing body of the subdivision has given adequate notice of its
18 intent to consider an increase in taxes and has held a public
19 hearing on the proposed increase. The legislature shall prescribe
20 by law the form, content, timing, and methods of giving the notice
21 and the rules for the conduct of the hearing.

22 (b) The legislature by general law shall require that,
23 subject to reasonable exceptions, a property owner be given notice
24 of a revaluation of property for tax purposes before the notice
25 required pursuant to Subsection (a) of this section is given.

26 SECTION 5. The secretary of state shall designate this
27 proposed constitutional amendment as "Amendment No. 9" on the

1 ballot for the election to be held on November 7, 1978.

2 SECTION 6. This proposed constitutional amendment shall be
3 submitted to the voters at an election to be held on November 7,
4 1978. The ballot shall be printed to provide for voting for or
5 against the proposition: "The constitutional amendment providing
6 for tax relief for homesteads and agricultural land and for
7 limitations on tax increases."

Snelson

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas
8/8, 1978

Honorable William P. Hobby
President of the Senate

Honorable Bill Clayton
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. J. R. No. 1 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Gikin
Meier
G.H.
[Signature]
Grant Jones
On the part of the Senate

[Signature]
Don Henderson
Wayne Penick
Gerry McDonnell
On the part of the House

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

DATE AUG 8 1978

3 READ AND ADOPTED

Betty Murray
CHIEF CLERK
HOUSE OF REPRESENTATIVES

by record vote of 107 yeas 32 nays

CONFERENCE COMMITTEE REPORT

H.J.R. No. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to ad valorem
2 taxation of agricultural property, exemptions of certain property
3 from taxation, and conditions for increases in total property tax
4 revenues.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. That Article VIII, Section 1, of the Texas
7 Constitution be amended to read as follows:

8 Sec. 1. Taxation shall be equal and uniform. All real
9 property and tangible personal property in this State, whether
10 owned by natural persons or corporations, other than municipal,
11 shall be taxed in proportion to its value, which shall be
12 ascertained as may be provided by law. The Legislature may provide
13 for the taxation of intangible property and ~~[impose a poll tax~~
14 ~~it]~~ may also impose occupation taxes, both upon natural persons and
15 upon corporations, other than municipal, doing any business in this
16 State. It may also tax incomes of both natural persons and
17 corporations other than municipal, except that persons engaged in
18 mechanical and agricultural pursuits shall never be required to pay
19 an occupation tax. The Legislature by general law shall exempt [~~7~~
20 ~~Provided, that two hundred and fifty dollars worth of]~~ household
21 goods not held or used for the production of income and personal
22 effects not held or used for the production of income, and the
23 Legislature by general law may exempt all or part of the personal
24 property homestead of a family or single adult, "personal property

1 homestead" meaning that personal property exempt by law from forced
2 sale for debt, [and kitchen furniture, belonging to each family in
3 this State shall be exempt] from ad valorem taxation. The [and
4 provided further that the] occupation tax levied by any county,
5 city or town for any year on persons or corporations pursuing any
6 profession or business, shall not exceed one half of the tax levied
7 by the State for the same period on such profession or business.

8 SECTION 2. That Article VIII of the Texas Constitution be
9 amended by adding Section 1-d-1 to read as follows:

10 Sec. 1-d-1. (a) To promote the preservation of open-space
11 land, the legislature shall provide by general law for taxation of
12 open-space land devoted to farm or ranch purposes on the basis of
13 its productive capacity and may provide by general law for taxation
14 of open-space land devoted to timber production on the basis of its
15 productive capacity. The legislature by general law may provide
16 eligibility limitations under this section and may impose sanctions
17 in furtherance of the taxation policy of this section.

18 (b) If a property owner qualifies his land for designation
19 for agricultural use under Section 1-d of this article, the land is
20 subject to the provisions of Section 1-d for the year in which the
21 designation is effective and is not subject to a law enacted under
22 this Section 1-d-1 in that year.

23 SECTION 3. That Article VIII, Section 1-b, of the Texas
24 Constitution be amended by amending Subsection (b) and adding
25 Subsections (c) and (d) to read as follows:

26 (b) From and after January 1, 1973, the governing body of
27 any county, city, town, school district, or other political

1 subdivision of the State may exempt by its own action not less than
2 Three Thousand Dollars (\$3,000) of the market [assessed] value of
3 residence homesteads of persons, married or unmarried, including
4 those living alone, who are under a disability for purposes of
5 payment of disability insurance benefits under Federal Old-Age,
6 Survivors, and Disability Insurance or its successor or of married
7 or unmarried persons sixty-five (65) years of age or older,
8 including those living alone, from all ad valorem taxes thereafter
9 levied by the political subdivision. As an alternative, upon
10 receipt of a petition signed by twenty percent (20%) of the voters
11 who voted in the last preceding election held by the political
12 subdivision, the governing body of the subdivision shall call an
13 election to determine by majority vote whether an amount not less
14 than Three Thousand Dollars (\$3,000) as provided in the petition,
15 of the market [assessed] value of residence homesteads of disabled
16 persons or of persons sixty-five (65) years of age or over shall be
17 exempt from ad valorem taxes thereafter levied by the political
18 subdivision. An eligible disabled person who is sixty-five (65)
19 years of age or older may not receive both exemptions from the same
20 political subdivision in the same year but may choose either if the
21 subdivision has adopted both. Where any ad valorem tax has
22 theretofore been pledged for the payment of any debt, the taxing
23 officers of the political subdivision shall have authority to
24 continue to levy and collect the tax against the homestead property
25 at the same rate as the tax so pledged until the debt is
26 discharged, if the cessation of the levy would impair the
27 obligation of the contract by which the debt was created. An

1 exemption adopted under this subsection based on assessed value is
2 increased, effective January 1, 1979, to an amount that, when
3 converted to market value, provides the same reduction in taxes,
4 except that the market value exemption shall be rounded to the
5 nearest \$100.

6 (c) Five Thousand Dollars (\$5,000) of the market value of
7 the residence homestead of a married or unmarried adult, including
8 one living alone, is exempt from ad valorem taxation for general
9 elementary and secondary public school purposes. In addition to
10 this exemption, the legislature by general law may exempt an amount
11 not to exceed Ten Thousand Dollars (\$10,000) of the market value of
12 the residence homestead of a person who is disabled as defined in
13 Subsection (b) of this section and of a person sixty-five (65)
14 years of age or older from ad valorem taxation for general
15 elementary and secondary public school purposes. The legislature
16 by general law may base the amount of and condition eligibility for
17 the additional exemption authorized by this subsection for disabled
18 persons and for persons sixty-five (65) years of age or older on
19 economic need. An eligible disabled person who is sixty-five (65)
20 years of age or older may not receive both exemptions from a school
21 district but may choose either. An eligible person is entitled to
22 receive both the exemption required by this subsection for all
23 residence homesteads and any exemption adopted pursuant to
24 Subsection (b) of this section, but the legislature shall provide
25 by general law whether an eligible disabled or elderly person may
26 receive both the additional exemption for the elderly and disabled
27 authorized by this subsection and any exemption for the elderly or

1 disabled adopted pursuant to Subsection (b) of this section. Where
2 ad valorem tax has previously been pledged for the payment of debt,
3 the taxing officers of a school district may continue to levy and
4 collect the tax against the value of homesteads exempted under this
5 subsection until the debt is discharged if the cessation of the
6 levy would impair the obligation of the contract by which the debt
7 was created. The legislature shall provide for formulas to protect
8 school districts against all or part of the revenue loss incurred
9 by the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
10 1-d-1, of this constitution. The legislature by general law may
11 define residence homestead for purposes of this section.

12 (d) Except as otherwise provided by this subsection, if a
13 person receives the residence homestead exemption prescribed by
14 Subsection (c) of this section for homesteads of persons sixty-five
15 (65) years of age or older, the total amount of ad valorem taxes
16 imposed on that homestead for general elementary and secondary
17 public school purposes may not be increased while it remains the
18 residence homestead of that person or that person's spouse who
19 receives the exemption. However, those taxes may be increased to
20 the extent the value of the homestead is increased by improvements
21 other than repairs or improvements made to comply with governmental
22 requirements.

23 SECTION 4. That Article VIII of the Texas Constitution be
24 amended by adding Section 21 to read as follows:

25 Sec. 21. (a) Subject to any exceptions prescribed by
26 general law, the total amount of property taxes imposed by a
27 political subdivision in any year may not exceed the total amount

1 of property taxes imposed by that subdivision in the preceding year
 2 unless the governing body of the subdivision gives notice of its
 3 intent to consider an increase in taxes and holds a public hearing
 4 on the proposed increase before it increases those total taxes.
 5 The legislature shall prescribe by law the form, content, timing,
 6 and methods of giving the notice and the rules for the conduct of
 7 the hearing.

8 (b) In calculating the total amount of taxes imposed in the
 9 current year for the purposes of Subsection (a) of this section,
 10 the taxes on property in territory added to the political
 11 subdivision since the preceding year and on new improvements that
 12 were not taxable in the preceding year are excluded. In
 13 calculating the total amount of taxes imposed in the preceding year
 14 for the purposes of Subsection (a) of this section, the taxes
 15 imposed on real property that is not taxable by the subdivision in
 16 the current year are excluded.

17 (c) The legislature by general law shall require that,
 18 subject to reasonable exceptions, a property owner be given notice
 19 of a revaluation and of the amount of taxes that will result from
 20 the reappraised value if neither the tax rate nor the ratio of
 21 assessment in effect in the preceding year is reduced. The notice
 22 must be given before the procedures required in Subsection (a) are
 23 instituted.

24 SECTION 5. That Article VIII of the Texas Constitution be
 25 amended by adding Section 22 to read as follows:

26 Sec. 22. (a) In no biennium shall the rate of growth of
 27 appropriations from state tax revenues not dedicated by this

1 constitution exceed the estimated rate of growth of the state's
2 economy. The legislature shall provide by general law procedures
3 to implement this subsection.

4 (b) If the legislature by adoption of a resolution approved
5 by a record vote of a majority of the members of each house finds
6 that an emergency exists and identifies the nature of the
7 emergency, the legislature may provide for appropriations in excess
8 of the amount authorized by Subsection (a) of this section. The
9 excess authorized under this subsection may not exceed the amount
10 specified in the resolution.

11 (c) In no case shall appropriations exceed revenues as
12 provided in Article III, Section 49a, of this constitution.
13 Nothing in this section shall be construed to alter, amend, or
14 repeal Article III, Section 49a, of this constitution.

15 SECTION 6. That Article VIII of the Texas Constitution be
16 amended by adding Section 23 to read as follows:

17 Sec. 23. (a) There shall be no statewide appraisal of real
18 property for ad valorem tax purposes; however, this shall not
19 preclude formula distribution of tax revenues to political
20 subdivisions of the state.

21 (b) Administrative and judicial enforcement of uniform
22 standards and procedures for appraisal of property for ad valorem
23 tax purposes, as prescribed by general law, shall originate in the
24 county where the tax is imposed, except that the legislature may
25 provide by general law for political subdivisions with boundaries
26 extending outside the county.

27 SECTION 7. This amendment takes effect January 1, 1979.

1 SECTION 8. The secretary of state shall designate this
2 proposed constitutional amendment as "The Tax Relief Amendment" and
3 shall place the proposition prior to any other proposition on the
4 ballot for the election to be held on November 7, 1978.

5 SECTION 9. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held on November 7,
7 1978. The ballot shall be printed to provide for voting for or
8 against the proposition: "The constitutional amendment providing
9 for tax relief for residential homesteads, elderly persons,
10 disabled persons, and agricultural land; for personal property
11 exemptions; for truth in taxation procedures, including citizen
12 involvement; for a redefinition of the tax base; for limitations on
13 state spending; and for property tax administration."

CONFERENCE COMMITTEE REPORT
H.J.R. 1, SECOND CALLED SESSION
65TH LEGISLATURE

H.J.R. 1 (Engrossed)	H.J.R. 1 (Senate Amendments)	H.J.R. 1 (Conference Committee Report)
<p>Section 1. Amends Article VIII, § 1 to provide:</p> <p>(a) Delete intangibles from constitutional tax base</p> <p>(b) Authorizes the legislature to tax intangible property</p> <p>(c) Provides an exemption for household goods/personal effects not used for production of income not to exceed \$30,000 and also one auto</p> <p>(d) Specifies above exempt from ad valorem taxation only</p>	<p>Section 1.</p> <p>(a) Same</p> <p>(b) No similar provision</p> <p>(c) Provides a permissive exemption for all household goods, personal effects not used for production of income and personal property exempt by law for forced sale for debt</p> <p>(d) Same</p>	<p>Section 1.</p> <p>(a) Same</p> <p>(b) House language</p> <p>(c) Provides for mandatory exemption of household goods and personal effects not held or used for the production of income and a permissive exemption for all or part of the personal property home-stead (property exempt by law from forced sale) of a family or single adult</p> <p>(d) Same</p>
<p>Section 2. Amends Article VIII, by adding Sec. 1-d-1 to provide:</p> <p>(a) Taxation of open-space land on basis of productivity mandated;</p> <p>(b) May provide same for forest land, but not less than taxes in 1978;</p> <p>(c) May provide eligibility limitations and impose sanctions in furtherance of taxation policy of section;</p>	<p>Section 2.</p> <p>(a) Taxation of open-space land on basis of a separate formula mandated;</p> <p>(b) May provide same for timberland;</p> <p>(c) Limitations and sanctions in furtherance of appraisal policy of section;</p>	<p>Section 2.</p> <p>(a) House language</p> <p>(b) May provide for productive basis for timberland</p> <p>(c) House language</p>

- (d) Prohibit use of separate formula on land belonging to alien owners;
- (e) Qualification for 1-d effective for year designation is in effect;
- (f) Validates Chapter 318, Acts of 65th Legislature, Regular Session

- (d) No similar provision
- (e) Same
- (f) No similar provision

- (d) No similar provision
- (e) Same
- (f) No similar provision

Section 3. Amends Article VIII, § 1-d to provide a residence homestead exemption:

- (a) No similar provision
- (b) General of up to \$10,000 on assessed value; and
- (c) A mandatory additional \$10,000 on assessed (include subsection (b) already granted) for 65 and over or disabled; and
- (d) Mandatory reimbursement for all of part of revenue losses to school districts; and
- (e) That the legislature may define residence homestead for purposes of this section.
- (f) Excludes debt service taxes from exemption.

Section 3.

- (a) Amends present permissive over 65 to include disabled
- (b) General homestead exemption of \$5,000 on the market value;
- (c) Up to a \$10,000 additional exemption on market value for 65/over or disabled;
 - (1) May be conditioned on economic need,
 - (2) 65/over and disabled may not receive both.
- (d) No similar provision
- (e) No similar provision
- (f) Statement concerning protection of bonded indebtedness

Section 3.

- (a) Converts exemption from assessed to market value and Senate language
- (b) Senate language
- (c) Senate language
- (d) Modified House language providing for formulas to protect against all or part of the lost revenue
- (e) House language
- (f) Senate language

(g) No similar provision	(g) Imposes a freeze on taxes of 65/older homesteads qualifying for exemption (except for new improvements)	(g) Senate language
<p>Section 4. Amends Article VIII, § 3 by:</p> <p>Requiring that a majority of the membership approve tax bills on 2nd and 3rd reading and on any other vote that may constitute final passage.</p>	No similar section	No similar section
<p>Section 5. Amends Article VIII, by adding a new Sec. 21 providing for a limitation on state appropriations.</p>	No similar section	<p>Section 5. Modified House language providing for a limitation of appropriations from state tax revenues</p>
<p>Section 6. Amends Article VIII, by adding a new Sec. 22 to:</p> <p>(a) Require Truth in Taxation before increasing taxes over the prior year's level.</p> <p>(b) Provides that in calculating the prior year's taxes imposed, new property and deannexed property are excluded.</p> <p>(c) Provides for taxpayer notice regarding the effect a revaluation of his property taxes.</p>	<p>Section 4.</p> <p>(a) Same</p> <p>(b) No similar section</p> <p>(c) Similar section</p>	<p>Section 4.</p> <p>(a) Same</p> <p>(b) House language</p> <p>(c) Modified House language</p>

<p>Section 7. Amends Article VIII by adding a new Section 23 to provide:</p> <p>(a) That the legislature provide for the establishment and enforcement of standards and procedures for appraisal of property for ad valorem tax purposes; and</p> <p>(b) That the legislature provide for single county appraisals for ad valorem tax purposes.</p>	<p>No similar section</p>	<p>Section 6.</p> <p>(a) No statewide appraisal of real property for ad valorem tax purposes; does not preclude formula distribution of tax revenues to political subdivisions</p> <p>(b) Mandates that administrative and judicial enforcement of standards and procedures originate at the local level</p>
<p>Section 8. Effective date January 1, 1979</p>	<p>No similar section</p>	<p>Section 7. House language</p>
<p>Section 9. Designates the amendment as "Special Session Amendment" and first on ballot.</p>	<p>Section 5. Designates amendment as "Amendment No. 9" and first on ballot.</p>	<p>Section 8. Designates amendment as "The Tax Relief Amendment" and first on the ballot.</p>
<p>Section 10. Ballot language.</p>	<p>Section 6. Ballot language. (Different from House.)</p>	<p>Section 9. Modified House language.</p>

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

8/8

, 1978

AUG 8 1978

Honorable William P. Hobby
President of the Senate

Received from
the Senate

Honorable Bill Clayton
Speaker of the House of Representatives

Betty Murray

Sir:

Chief Clerk, House of Representatives

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. J. R. No. 1 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Arkin

Jim Vondohlen

Maize

Creighton

W. ...

Santisteban

...

On the part of the Senate

On the part of the House

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

AUG 8 1978 *filed with Secretary of Senate*
AUG 8 1978 *Laip before Senate*
read

6
ADOPTED
by 28 yeas 2 nays
AUG 8 1978

Betty King
Secretary of the Senate

CONFERENCE COMMITTEE REPORT

H.J.R. No. 1

A JOINT RESOLUTION

proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, and conditions for increases in total property tax revenues.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VIII, Section 1, of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may provide for the taxation of intangible property and ~~impose a poll tax~~ ~~it~~ may also impose occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax. The Legislature by general law shall exempt ~~Provided, that two hundred and fifty dollars worth of~~ household goods not held or used for the production of income and personal effects not held or used for the production of income, and the Legislature by general law may exempt all or part of the personal property homestead of a family or single adult, "personal property

1 homestead" meaning that personal property exempt by law from forced
2 sale for debt, [and kitchen furniture, belonging to each family in
3 this State shall be exempt] from ad valorem taxation. The [and
4 provided further that the] occupation tax levied by any county,
5 city or town for any year on persons or corporations pursuing any
6 profession or business, shall not exceed one half of the tax levied
7 by the State for the same period on such profession or business.

8 SECTION 2. That Article VIII of the Texas Constitution be
9 amended by adding Section 1-d-1 to read as follows:

10 Sec. 1-d-1. (a) To promote the preservation of open-space
11 land, the legislature shall provide by general law for taxation of
12 open-space land devoted to farm or ranch purposes on the basis of
13 its productive capacity and may provide by general law for taxation
14 of open-space land devoted to timber production on the basis of its
15 productive capacity. The legislature by general law may provide
16 eligibility limitations under this section and may impose sanctions
17 in furtherance of the taxation policy of this section.

18 (b) If a property owner qualifies his land for designation
19 for agricultural use under Section 1-d of this article, the land is
20 subject to the provisions of Section 1-d for the year in which the
21 designation is effective and is not subject to a law enacted under
22 this Section 1-d-1 in that year.

23 SECTION 3. That Article VIII, Section 1-b, of the Texas
24 Constitution be amended by amending Subsection (b) and adding
25 Subsections (c) and (d) to read as follows:

26 (b) From and after January 1, 1973, the governing body of
27 any county, city, town, school district, or other political

1 subdivision of the State may exempt by its own action not less than
2 Three Thousand Dollars (\$3,000) of the market [assessed] value of
3 residence homesteads of persons, married or unmarried, including
4 those living alone, who are under a disability for purposes of
5 payment of disability insurance benefits under Federal Old-Age,
6 Survivors, and Disability Insurance or its successor or of married
7 or unmarried persons sixty-five (65) years of age or older,
8 including those living alone, from all ad valorem taxes thereafter
9 levied by the political subdivision. As an alternative, upon
10 receipt of a petition signed by twenty percent (20%) of the voters
11 who voted in the last preceding election held by the political
12 subdivision, the governing body of the subdivision shall call an
13 election to determine by majority vote whether an amount not less
14 than Three Thousand Dollars (\$3,000) as provided in the petition,
15 of the market [assessed] value of residence homesteads of disabled
16 persons or of persons sixty-five (65) years of age or over shall be
17 exempt from ad valorem taxes thereafter levied by the political
18 subdivision. An eligible disabled person who is sixty-five (65)
19 years of age or older may not receive both exemptions from the same
20 political subdivision in the same year but may choose either if the
21 subdivision has adopted both. Where any ad valorem tax has
22 theretofore been pledged for the payment of any debt, the taxing
23 officers of the political subdivision shall have authority to
24 continue to levy and collect the tax against the homestead property
25 at the same rate as the tax so pledged until the debt is
26 discharged, if the cessation of the levy would impair the
27 obligation of the contract by which the debt was created. An

1 exemption adopted under this subsection based on assessed value is
2 increased, effective January 1, 1979, to an amount that, when
3 converted to market value, provides the same reduction in taxes,
4 except that the market value exemption shall be rounded to the
5 nearest \$100.

6 (c) Five Thousand Dollars (\$5,000) of the market value of
7 the residence homestead of a married or unmarried adult, including
8 one living alone, is exempt from ad valorem taxation for general
9 elementary and secondary public school purposes. In addition to
10 this exemption, the legislature by general law may exempt an amount
11 not to exceed Ten Thousand Dollars (\$10,000) of the market value of
12 the residence homestead of a person who is disabled as defined in
13 Subsection (b) of this section and of a person sixty-five (65)
14 years of age or older from ad valorem taxation for general
15 elementary and secondary public school purposes. The legislature
16 by general law may base the amount of and condition eligibility for
17 the additional exemption authorized by this subsection for disabled
18 persons and for persons sixty-five (65) years of age or older on
19 economic need. An eligible disabled person who is sixty-five (65)
20 years of age or older may not receive both exemptions from a school
21 district but may choose either. An eligible person is entitled to
22 receive both the exemption required by this subsection for all
23 residence homesteads and any exemption adopted pursuant to
24 Subsection (b) of this section, but the legislature shall provide
25 by general law whether an eligible disabled or elderly person may
26 receive both the additional exemption for the elderly and disabled
27 authorized by this subsection and any exemption for the elderly or

1 disabled adopted pursuant to Subsection (b) of this section. Where
2 ad valorem tax has previously been pledged for the payment of debt,
3 the taxing officers of a school district may continue to levy and
4 collect the tax against the value of homesteads exempted under this
5 subsection until the debt is discharged if the cessation of the
6 levy would impair the obligation of the contract by which the debt
7 was created. The legislature shall provide for formulas to protect
8 school districts against all or part of the revenue loss incurred
9 by the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
10 1-d-1, of this constitution. The legislature by general law may
11 define residence homestead for purposes of this section.

12 (d) Except as otherwise provided by this subsection, if a
13 person receives the residence homestead exemption prescribed by
14 Subsection (c) of this section for homesteads of persons sixty-five
15 (65) years of age or older, the total amount of ad valorem taxes
16 imposed on that homestead for general elementary and secondary
17 public school purposes may not be increased while it remains the
18 residence homestead of that person or that person's spouse who
19 receives the exemption. However, those taxes may be increased to
20 the extent the value of the homestead is increased by improvements
21 other than repairs or improvements made to comply with governmental
22 requirements.

23 SECTION 4. That Article VIII of the Texas Constitution be
24 amended by adding Section 21 to read as follows:

25 Sec. 21. (a) Subject to any exceptions prescribed by
26 general law, the total amount of property taxes imposed by a
27 political subdivision in any year may not exceed the total amount

1 of property taxes imposed by that subdivision in the preceding year
2 unless the governing body of the subdivision gives notice of its
3 intent to consider an increase in taxes and holds a public hearing
4 on the proposed increase before it increases those total taxes.
5 The legislature shall prescribe by law the form, content, timing,
6 and methods of giving the notice and the rules for the conduct of
7 the hearing.

8 (b) In calculating the total amount of taxes imposed in the
9 current year for the purposes of Subsection (a) of this section,
10 the taxes on property in territory added to the political
11 subdivision since the preceding year and on new improvements that
12 were not taxable in the preceding year are excluded. In
13 calculating the total amount of taxes imposed in the preceding year
14 for the purposes of Subsection (a) of this section, the taxes
15 imposed on real property that is not taxable by the subdivision in
16 the current year are excluded.

17 (c) The legislature by general law shall require that,
18 subject to reasonable exceptions, a property owner be given notice
19 of a revaluation and of the amount of taxes that will result from
20 the reappraised value if neither the tax rate nor the ratio of
21 assessment in effect in the preceding year is reduced. The notice
22 must be given before the procedures required in Subsection (a) are
23 instituted.

24 SECTION 5. That Article VIII of the Texas Constitution be
25 amended by adding Section 22 to read as follows:

26 Sec. 22. (a) In no biennium shall the rate of growth of
27 appropriations from state tax revenues not dedicated by this

1 constitution exceed the estimated rate of growth of the state's
2 economy. The legislature shall provide by general law procedures
3 to implement this subsection.

4 (b) If the legislature by adoption of a resolution approved
5 by a record vote of a majority of the members of each house finds
6 that an emergency exists and identifies the nature of the
7 emergency, the legislature may provide for appropriations in excess
8 of the amount authorized by Subsection (a) of this section. The
9 excess authorized under this subsection may not exceed the amount
10 specified in the resolution.

11 (c) In no case shall appropriations exceed revenues as
12 provided in Article III, Section 49a, of this constitution.
13 Nothing in this section shall be construed to alter, amend, or
14 repeal Article III, Section 49a, of this constitution.

15 SECTION 6. That Article VIII of the Texas Constitution be
16 amended by adding Section 23 to read as follows:

17 Sec. 23. (a) There shall be no statewide appraisal of real
18 property for ad valorem tax purposes; however, this shall not
19 preclude formula distribution of tax revenues to political
20 subdivisions of the state.

21 (b) Administrative and judicial enforcement of uniform
22 standards and procedures for appraisal of property for ad valorem
23 tax purposes, as prescribed by general law, shall originate in the
24 county where the tax is imposed, except that the legislature may
25 provide by general law for political subdivisions with boundaries
26 extending outside the county.

27 SECTION 7. This amendment takes effect January 1, 1979.

1 SECTION 8. The secretary of state shall designate this
2 proposed constitutional amendment as "The Tax Relief Amendment" and
3 shall place the proposition prior to any other proposition on the
4 ballot for the election to be held on November 7, 1978.

5 SECTION 9. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held on November 7,
7 1978. The ballot shall be printed to provide for voting for or
8 against the proposition: "The constitutional amendment providing
9 for tax relief for residential homesteads, elderly persons,
10 disabled persons, and agricultural land; for personal property
11 exemptions; for truth in taxation procedures, including citizen
12 involvement; for a redefinition of the tax base; for limitations on
13 state spending; and for property tax administration."

CONFERENCE COMMITTEE REPORT
H.J.R. 1, SECOND CALLED SESSION
65TH LEGISLATURE

H.J.R. 1 (Engrossed)	H.J.R. 1 (Senate Amendments)	H.J.R. 1 (Conference Committee Report)
<p>Section 1. Amends Article VIII, § 1 to provide:</p> <p>(a) Delete intangibles from constitutional tax base</p> <p>(b) Authorizes the legislature to tax intangible property</p> <p>(c) Provides an exemption for household goods/personal effects not used for production of income not to exceed \$30,000 and also one auto</p> <p>(d) Specifies above exempt from ad valorem taxation only</p>	<p>Section 1.</p> <p>(a) Same</p> <p>(b) No similar provision</p> <p>(c) Provides a permissive exemption for all household goods, personal effects not used for production of income and personal property exempt by law for forced sale for debt</p> <p>(d) Same</p>	<p>Section 1.</p> <p>(a) Same</p> <p>(b) House language</p> <p>(c) Provides for mandatory exemption of household goods and personal effects not held or used for the production of income and a permissive exemption for all or part of the personal property homestead (property exempt by law from forced sale) of a family or single adult</p> <p>(d) Same</p>
<p>Section 2. Amends Article VIII, by adding Sec. 1-d-1 to provide:</p> <p>(a) Taxation of open-space land on basis of productivity mandated;</p> <p>(b) May provide same for forest land, but not less than taxes in 1978;</p> <p>(c) May provide eligibility limitations and impose sanctions in furtherance of taxation policy of section;</p>	<p>Section 2.</p> <p>(a) Taxation of open-space land on basis of a separate formula mandated;</p> <p>(b) May provide same for timberland;</p> <p>(c) Limitations and sanctions in furtherance of appraisal policy of section;</p>	<p>Section 2.</p> <p>(a) House language</p> <p>(b) May provide for productive basis for timberland</p> <p>(c) House language</p>

- (d) Prohibit use of separate formula on land belonging to alien owners;
- (e) Qualification for 1-d effective for year designation is in effect;
- (f) Validates Chapter 318, Acts of 65th Legislature, Regular Session

- (d) No similar provision
- (e) Same
- (f) No similar provision

- (d) No similar provision
- (e) Same
- (f) No similar provision

Section 3. Amends Article VIII, § 1-d to provide a residence homestead exemption:

- (a) No similar provision
- (b) General of up to \$10,000 on assessed value; and
- (c) A mandatory additional \$10,000 on assessed (include subsection (b) already granted) for 65 and over or disabled; and
- (d) Mandatory reimbursement for all of part of revenue losses to school districts; and
- (e) That the legislature may define residence homestead for purposes of this section.
- (f) Excludes debt service taxes from exemption.

Section 3.

- (a) Amends present permissive over 65 to include disabled
- (b) General homestead exemption of \$5,000 on the market value;
- (c) Up to a \$10,000 additional exemption on market value for 65/over or disabled;
 - (1) May be conditioned on economic need,
 - (2) 65/over and disabled may not receive both.
- (d) No similar provision
- (e) No similar provision
- (f) Statement concerning protection of bonded indebtedness

Section 3.

- (a) Converts exemption from assessed to market value and Senate language
- (b) Senate language
- (c) Senate language
- (d) Modified House language providing for formulas to protect against all or part of the lost revenue
- (e) House language
- (f) Senate language

(g) No similar provision	(g) Imposes a freeze on taxes of 65/older homesteads qualifying for exemption (except for new improvements)	(g) Senate language
<p>Section 4. Amends Article VIII, § 3 by:</p> <p>Requiring that a majority of the membership approve tax bills on 2nd and 3rd reading and on any other vote that may constitute final passage.</p>	No similar section	No similar section
<p>Section 5. Amends Article VIII, by adding a new Sec. 21 providing for a limitation on state appropriations.</p>	No similar section	<p>Section 5. Modified House language providing for a limitation of appropriations from state tax revenues</p>
<p>Section 6. Amends Article VIII, by adding a new Sec. 22 to:</p> <p>(a) Require Truth in Taxation before increasing taxes over the prior year's level.</p> <p>(b) Provides that in calculating the prior year's taxes imposed, new property and deannexed property are excluded.</p> <p>(c) Provides for taxpayer notice regarding the effect a revaluation of his property taxes.</p>	<p>Section 4.</p> <p>(a) Same</p> <p>(b) No similar section</p> <p>(c) Similar section</p>	<p>Section 4.</p> <p>(a) Same</p> <p>(b) House language</p> <p>(c) Modified House language</p>

<p>Section 7. Amends Article VIII by adding a new Section 23 to provide:</p> <p>(a) That the legislature provide for the establishment and enforcement of standards and procedures for appraisal of property for ad valorem tax purposes; and</p> <p>(b) That the legislature provide for single county appraisals for ad valorem tax purposes.</p>	<p>No similar section</p>	<p>Section 6.</p> <p>(a) No statewide appraisal of real property for ad valorem tax purposes; does not preclude formula distribution of tax revenues to political subdivisions</p> <p>(b) Mandates that administrative and judicial enforcement of standards and procedures originate at the local level</p>
<p>Section 8. Effective date January 1, 1979</p>	<p>No similar section</p>	<p>Section 7. House language</p>
<p>Section 9. Designates the amendment as "Special Session Amendment" and first on ballot.</p>	<p>Section 5. Designates amendment as "Amendment No. 9" and first on ballot.</p>	<p>Section 8. Designates amendment as "The Tax Relief Amendment" and first on the ballot.</p>
<p>Section 10. Ballot language.</p>	<p>Section 6. Ballot language. (Different from House.)</p>	<p>Section 9. Modified House language.</p>

F

H.J.R. No. 1

A JOINT RESOLUTION

proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, and conditions for increases in total property tax revenues.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VIII, Section 1, of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may provide for the taxation of intangible property and ~~impose a poll tax~~ ~~it~~ may also impose occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax. The Legislature by general law shall exempt ~~Provided, that two hundred and fifty dollars worth of~~ household goods not held or used for the production of income and personal effects not held or used for the production of income, and the Legislature by general law may exempt all or part of the personal

1 property homestead of a family or single adult, "personal property
 2 homestead" meaning that personal property exempt by law from forced
 3 sale for debt, [and kitchen furniture, belonging to each family in
 4 this State shall be exempt] from ad valorem taxation. The [r--and
 5 provided further that the] occupation tax levied by any county,
 6 city or town for any year on persons or corporations pursuing any
 7 profession or business, shall not exceed one half of the tax levied
 8 by the State for the same period on such profession or business.

9 SECTION 2. That Article VIII of the Texas Constitution be
 10 amended by adding Section 1-d-1 to read as follows:

11 Sec. 1-d-1. (a) To promote the preservation of open-space
 12 land, the legislature shall provide by general law for taxation of
 13 open-space land devoted to farm or ranch purposes on the basis of
 14 its productive capacity and may provide by general law for taxation
 15 of open-space land devoted to timber production on the basis of its
 16 productive capacity. The legislature by general law may provide
 17 eligibility limitations under this section and may impose sanctions
 18 in furtherance of the taxation policy of this section.

19 (b) If a property owner qualifies his land for designation
 20 for agricultural use under Section 1-d of this article, the land is
 21 subject to the provisions of Section 1-d for the year in which the
 22 designation is effective and is not subject to a law enacted under
 23 this Section 1-d-1 in that year.

24 SECTION 3. That Article VIII, Section 1-b, of the Texas
 25 Constitution be amended by amending Subsection (b) and adding
 26 Subsections (c) and (d) to read as follows:

27 (b) From and after January 1, 1973, the governing body of

any county, city, town, school district, or other political subdivision of the State may exempt by its own action not less than Three Thousand Dollars (\$3,000) of the market [assessed] value of residence homesteads of persons, married or unmarried, including those living alone, who are under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance or its successor or of married or unmarried persons sixty-five (65) years of age or older, including those living alone, from all ad valorem taxes thereafter levied by the political subdivision. As an alternative, upon receipt of a petition signed by twenty percent (20%) of the voters who voted in the last preceding election held by the political subdivision, the governing body of the subdivision shall call an election to determine by majority vote whether an amount not less than Three Thousand Dollars (\$3,000) as provided in the petition, of the market [assessed] value of residence homesteads of disabled persons or of persons sixty-five (65) years of age or over shall be exempt from ad valorem taxes thereafter levied by the political subdivision. An eligible disabled person who is sixty-five (65) years of age or older may not receive both exemptions from the same political subdivision in the same year but may choose either if the subdivision has adopted both. Where any ad valorem tax has theretofore been pledged for the payment of any debt, the taxing officers of the political subdivision shall have authority to continue to levy and collect the tax against the homestead property at the same rate as the tax so pledged until the debt is discharged, if the cessation of the levy would impair the

1 obligation of the contract by which the debt was created. An
2 exemption adopted under this subsection based on assessed value is
3 increased, effective January 1, 1979, to an amount that, when
4 converted to market value, provides the same reduction in taxes,
5 except that the market value exemption shall be rounded to the
6 nearest \$100.

7 (c) Five Thousand Dollars (\$5,000) of the market value of
8 the residence homestead of a married or unmarried adult, including
9 one living alone, is exempt from ad valorem taxation for general
10 elementary and secondary public school purposes. In addition to
11 this exemption, the legislature by general law may exempt an amount
12 not to exceed Ten Thousand Dollars (\$10,000) of the market value of
13 the residence homestead of a person who is disabled as defined in
14 Subsection (b) of this section and of a person sixty-five (65)
15 years of age or older from ad valorem taxation for general
16 elementary and secondary public school purposes. The legislature
17 by general law may base the amount of and condition eligibility for
18 the additional exemption authorized by this subsection for disabled
19 persons and for persons sixty-five (65) years of age or older on
20 economic need. An eligible disabled person who is sixty-five (65)
21 years of age or older may not receive both exemptions from a school
22 district but may choose either. An eligible person is entitled to
23 receive both the exemption required by this subsection for all
24 residence homesteads and any exemption adopted pursuant to
25 Subsection (b) of this section, but the legislature shall provide
26 by general law whether an eligible disabled or elderly person may
27 receive both the additional exemption for the elderly and disabled

1 authorized by this subsection and any exemption for the elderly or
2 disabled adopted pursuant to Subsection (b) of this section. Where
3 ad valorem tax has previously been pledged for the payment of debt,
4 the taxing officers of a school district may continue to levy and
5 collect the tax against the value of homesteads exempted under this
6 subsection until the debt is discharged if the cessation of the
7 levy would impair the obligation of the contract by which the debt
8 was created. The legislature shall provide for formulas to protect
9 school districts against all or part of the revenue loss incurred
10 by the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
11 1-d-1, of this constitution. The legislature by general law may
12 define residence homestead for purposes of this section.

13 (d) Except as otherwise provided by this subsection, if a
14 person receives the residence homestead exemption prescribed by
15 Subsection (c) of this section for homesteads of persons sixty-five
16 (65) years of age or older, the total amount of ad valorem taxes
17 imposed on that homestead for general elementary and secondary
18 public school purposes may not be increased while it remains the
19 residence homestead of that person or that person's spouse who
20 receives the exemption. However, those taxes may be increased to
21 the extent the value of the homestead is increased by improvements
22 other than repairs or improvements made to comply with governmental
23 requirements.

24 SECTION 4. That Article VIII of the Texas Constitution be
25 amended by adding Section 21 to read as follows:

26 Sec. 21. (a) Subject to any exceptions prescribed by
27 general law, the total amount of property taxes imposed by a

1 political subdivision in any year may not exceed the total amount
 2 of property taxes imposed by that subdivision in the preceding year
 3 unless the governing body of the subdivision gives notice of its
 4 intent to consider an increase in taxes and holds a public hearing
 5 on the proposed increase before it increases those total taxes.
 6 The legislature shall prescribe by law the form, content, timing,
 7 and methods of giving the notice and the rules for the conduct of
 8 the hearing.

9 (b) In calculating the total amount of taxes imposed in the
 10 current year for the purposes of Subsection (a) of this section,
 11 the taxes on property in territory added to the political
 12 subdivision since the preceding year and on new improvements that
 13 were not taxable in the preceding year are excluded. In
 14 calculating the total amount of taxes imposed in the preceding year
 15 for the purposes of Subsection (a) of this section, the taxes
 16 imposed on real property that is not taxable by the subdivision in
 17 the current year are excluded.

18 (c) The legislature by general law shall require that,
 19 subject to reasonable exceptions, a property owner be given notice
 20 of a revaluation and of the amount of taxes that will result from
 21 the reappraised value if neither the tax rate nor the ratio of
 22 assessment in effect in the preceding year is reduced. The notice
 23 must be given before the procedures required in Subsection (a) are
 24 instituted.

25 SECTION 5. That Article VIII of the Texas Constitution be
 26 amended by adding Section 22 to read as follows:

27 Sec. 22. (a) In no biennium shall the rate of growth of

1 appropriations from state tax revenues not dedicated by this
 2 constitution exceed the estimated rate of growth of the state's
 3 economy. The legislature shall provide by general law procedures
 4 to implement this subsection.

5 (b) If the legislature by adoption of a resolution approved
 6 by a record vote of a majority of the members of each house finds
 7 that an emergency exists and identifies the nature of the
 8 emergency, the legislature may provide for appropriations in excess
 9 of the amount authorized by Subsection (a) of this section. The
 10 excess authorized under this subsection may not exceed the amount
 11 specified in the resolution.

12 (c) In no case shall appropriations exceed revenues as
 13 provided in Article III, Section 49a, of this constitution.
 14 Nothing in this section shall be construed to alter, amend, or
 15 repeal Article III, Section 49a, of this constitution.

16 SECTION 6. That Article VIII of the Texas Constitution be
 17 amended by adding Section 23 to read as follows:

18 Sec. 23. (a) There shall be no statewide appraisal of real
 19 property for ad valorem tax purposes; however, this shall not
 20 preclude formula distribution of tax revenues to political
 21 subdivisions of the state.

22 (b) Administrative and judicial enforcement of uniform
 23 standards and procedures for appraisal of property for ad valorem
 24 tax purposes, as prescribed by general law, shall originate in the
 25 county where the tax is imposed, except that the legislature may
 26 provide by general law for political subdivisions with boundaries
 27 extending outside the county.

1 SECTION 7. This amendment takes effect January 1, 1979.

2 SECTION 8. The secretary of state shall designate this
3 proposed constitutional amendment as "The Tax Relief Amendment" and
4 shall place the proposition prior to any other proposition on the
5 ballot for the election to be held on November 7, 1978.

6 SECTION 9. This proposed constitutional amendment shall be
7 submitted to the voters at an election to be held on November 7,
8 1978. The ballot shall be printed to provide for voting for or
9 against the proposition: "The constitutional amendment providing
10 for tax relief for residential homesteads, elderly persons,
11 disabled persons, and agricultural land; for personal property
12 exemptions; for truth in taxation procedures, including citizen
13 involvement; for a redefinition of the tax base; for limitations on
14 state spending; and for property tax administration."

-END-

H.J.R. No. 1

President of the Senate

Speaker of the House

I certify that H.J.R. No. 1 was passed by the House on August 2, 1978; by the following vote: Yeas 113, Nays 21, 9 present, not voting; that the House refused to concur in Senate amendments to H.J.R. No. 1 on August 4, 1978, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.J.R. No. 1 on August 8, 1978, by the following vote: Yeas 107, Nays 32.

Chief Clerk of the House

H.J.R. No. 1

I certify that H.J.R. No. 1 was passed by the Senate, with amendments, on August 3, 1978, by the following vote: Yeas 28, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.J.R. No. 1 on August 8, 1978, by the following vote: Yeas 28, Nays 2.

Secretary of the Senate

APPROVED: _____
Date

Governor

HOUSE SPECIAL PRINTING

As Enrolled

H.J.R. No. 1

A JOINT RESOLUTION

proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, and conditions for increases in total property tax revenues.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VIII, Section 1, of the Texas Constitution be amended to read as follows:

Sec. 1. Taxation shall be equal and uniform. All real property and tangible personal property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. The Legislature may provide for the taxation of intangible property and ~~impose a poll tax~~ ~~it~~ may also impose occupation taxes, both upon natural persons and upon corporations, other than municipal, doing any business in this State. It may also tax incomes of both natural persons and corporations other than municipal, except that persons engaged in mechanical and agricultural pursuits shall never be required to pay an occupation tax. The Legislature by general law shall exempt ~~(+ provided, that two hundred and fifty dollars worth of)~~ household goods not held or used for the production of income and personal effects not held or used for the production of income, and the Legislature by general law may exempt all or part of the personal

1 property homestead of a family or single adult, "personal property
 2 homestead" meaning that personal property exempt by law from forced
 3 sale for debt, (and kitchen furniture, belonging to each family in
 4 this State shall be exempt) from ad valorem taxation. The [and
 5 provided further that the] occupation tax levied by any county,
 6 city or town for any year on persons or corporations pursuing any
 7 profession or business, shall not exceed one half of the tax levied
 8 by the State for the same period on such profession or business.

9 SECTION 2. That Article VIII of the Texas Constitution be
 10 amended by adding Section 1-d-1 to read as follows:

11 Sec. 1-d-1. (a) To promote the preservation of open-space
 12 land, the legislature shall provide by general law for taxation of
 13 open-space land devoted to farm or ranch purposes on the basis of
 14 its productive capacity and may provide by general law for taxation
 15 of open-space land devoted to timber production on the basis of its
 16 productive capacity. The legislature by general law may provide
 17 eligibility limitations under this section and may impose sanctions
 18 in furtherance of the taxation policy of this section.

19 (b) If a property owner qualifies his land for designation
 20 for agricultural use under Section 1-d of this article, the land is
 21 subject to the provisions of Section 1-d for the year in which the
 22 designation is effective and is not subject to a law enacted under
 23 this Section 1-d-1 in that year.

24 SECTION 3. That Article VIII, Section 1-b, of the Texas
 25 Constitution be amended by amending Subsection (b) and adding
 26 Subsections (c) and (d) to read as follows:

27 (b) From and after January 1, 1973, the governing body of

any county, city, town, school district, or other political subdivision of the State may exempt by its own action not less than Three Thousand Dollars (\$3,000) of the market [assessed] value of residence homesteads of persons, married or unmarried, including those living alone, who are under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance or its successor or of married or unmarried persons sixty-five (65) years of age or older, including those living alone, from all ad valorem taxes thereafter levied by the political subdivision. As an alternative, upon receipt of a petition signed by twenty percent (20%) of the voters who voted in the last preceding election held by the political subdivision, the governing body of the subdivision shall call an election to determine by majority vote whether an amount not less than Three Thousand Dollars (\$3,000) as provided in the petition, of the market [assessed] value of residence homesteads of disabled persons or of persons sixty-five (65) years of age or over shall be exempt from ad valorem taxes thereafter levied by the political subdivision. An eligible disabled person who is sixty-five (65) years of age or older may not receive both exemptions from the same political subdivision in the same year but may choose either if the subdivision has adopted both. Where any ad valorem tax has theretofore been pledged for the payment of any debt, the taxing officers of the political subdivision shall have authority to continue to levy and collect the tax against the homestead property at the same rate as the tax so pledged until the debt is discharged, if the cessation of the levy would impair the

obligation of the contract by which the debt was created. An exemption adopted under this subsection based on assessed value is increased, effective January 1, 1979, to an amount that, when converted to market value, provides the same reduction in taxes, except that the market value exemption shall be rounded to the nearest \$100.

(c) Five Thousand Dollars (\$5,000) of the market value of the residence homestead of a married or unmarried adult, including one living alone, is exempt from ad valorem taxation for general elementary and secondary public school purposes. In addition to this exemption, the legislature by general law may exempt an amount not to exceed Ten Thousand Dollars (\$10,000) of the market value of the residence homestead of a person who is disabled as defined in Subsection (b) of this section and of a person sixty-five (65) years of age or older from ad valorem taxation for general elementary and secondary public school purposes. The legislature by general law may base the amount of and condition eligibility for the additional exemption authorized by this subsection for disabled persons and for persons sixty-five (65) years of age or older on economic need. An eligible disabled person who is sixty-five (65) years of age or older may not receive both exemptions from a school district but may choose either. An eligible person is entitled to receive both the exemption required by this subsection for all residence homesteads and any exemption adopted pursuant to Subsection (b) of this section, but the legislature shall provide by general law whether an eligible disabled or elderly person may receive both the additional exemption for the elderly and disabled

1 authorized by this subsection and any exemption for the elderly or
2 disabled adopted pursuant to Subsection (b) of this section. Where
3 ad valorem tax has previously been pledged for the payment of debt,
4 the taxing officers of a school district may continue to levy and
5 collect the tax against the value of homesteads exempted under this
6 subsection until the debt is discharged if the cessation of the
7 levy would impair the obligation of the contract by which the debt
8 was created. The legislature shall provide for formulas to protect
9 school districts against all or part of the revenue loss incurred
0 by the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
1 1-d-1, of this constitution. The legislature by general law may
2 define residence homestead for purposes of this section.

3 (d) Except as otherwise provided by this subsection, if a
4 person receives the residence homestead exemption prescribed by
5 Subsection (c) of this section for homesteads of persons sixty-five
6 (65) years of age or older, the total amount of ad valorem taxes
7 imposed on that homestead for general elementary and secondary
8 public school purposes may not be increased while it remains the
9 residence homestead of that person or that person's spouse who
10 receives the exemption. However, those taxes may be increased to
11 the extent the value of the homestead is increased by improvements
12 other than repairs or improvements made to comply with governmental
13 requirements.

14 SECTION 4. That Article VIII of the Texas Constitution be
15 amended by adding Section 21 to read as follows:

16 Sec. 21. (a) Subject to any exceptions prescribed by
17 general law, the total amount of property taxes imposed by a

political subdivision in any year may not exceed the total amount of property taxes imposed by that subdivision in the preceding year unless the governing body of the subdivision gives notice of its intent to consider an increase in taxes and holds a public hearing on the proposed increase before it increases those total taxes. The legislature shall prescribe by law the form, content, timing, and methods of giving the notice and the rules for the conduct of the hearing.

(b) In calculating the total amount of taxes imposed in the current year for the purposes of Subsection (a) of this section, the taxes on property in territory added to the political subdivision since the preceding year and on new improvements that were not taxable in the preceding year are excluded. In calculating the total amount of taxes imposed in the preceding year for the purposes of Subsection (a) of this section, the taxes imposed on real property that is not taxable by the subdivision in the current year are excluded.

(c) The legislature by general law shall require that, subject to reasonable exceptions, a property owner be given notice of a revaluation and of the amount of taxes that will result from the reappraised value if neither the tax rate nor the ratio of assessment in effect in the preceding year is reduced. The notice must be given before the procedures required in Subsection (a) are instituted.

SECTION 5. That Article VIII of the Texas Constitution be amended by adding Section 22 to read as follows:

Sec. 22. (a) In no biennium shall the rate of growth of

1 appropriations from state tax revenues not dedicated by this
 2 constitution exceed the estimated rate of growth of the state's
 3 economy. The legislature shall provide by general law procedures
 4 to implement this subsection.

5 (b) If the legislature by adoption of a resolution approved
 6 by a record vote of a majority of the members of each house finds
 7 that an emergency exists and identifies the nature of the
 8 emergency, the legislature may provide for appropriations in excess
 9 of the amount authorized by Subsection (a) of this section. The
 10 excess authorized under this subsection may not exceed the amount
 11 specified in the resolution.

12 (c) In no case shall appropriations exceed revenues as
 13 provided in Article III, Section 49a, of this constitution.
 14 Nothing in this section shall be construed to alter, amend, or
 15 repeal Article III, Section 49a, of this constitution.

16 SECTION 6. That Article VIII of the Texas Constitution be
 17 amended by adding Section 23 to read as follows:

18 Sec. 23. (a) There shall be no statewide appraisal of real
 19 property for ad valorem tax purposes; however, this shall not
 20 preclude formula distribution of tax revenues to political
 21 subdivisions of the state.

22 (b) Administrative and judicial enforcement of uniform
 23 standards and procedures for appraisal of property for ad valorem
 24 tax purposes, as prescribed by general law, shall originate in the
 25 county where the tax is imposed, except that the legislature may
 26 provide by general law for political subdivisions with boundaries
 27 extending outside the county.

1 SECTION 7. This amendment takes effect January 1, 1979.

2 SECTION 8. The secretary of state shall designate this
3 proposed constitutional amendment as "The Tax Relief Amendment" and
4 shall place the proposition prior to any other proposition on the
5 ballot for the election to be held on November 7, 1978.

6 SECTION 9. This proposed constitutional amendment shall be
7 submitted to the voters at an election to be held on November 7,
8 1978. The ballot shall be printed to provide for voting for or
9 against the proposition: "The constitutional amendment providing
0 for tax relief for residential homesteads, elderly persons,
1 disabled persons, and agricultural land; for personal property
2 exemptions; for truth in taxation procedures, including citizen
3 involvement; for a redefinition of the tax base; for limitations on
4 state spending; and for property tax administration."

-END-

H.J.R. No. 1

President of the Senate

Speaker of the House

I certify that H.J.R. No. 1 was passed by the House on August 2, 1978; by the following vote: Yeas 113, Nays 21, 9 present, not voting; that the House refused to concur in Senate amendments to H.J.R. No. 1 on August 4, 1978, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.J.R. No. 1 on August 8, 1978, by the following vote: Yeas 107, Nays 32.

Chief Clerk of the House

H.J.R. No. 1

I certify that H.J.R. No. 1 was passed by the Senate, with amendments, on August 3, 1978, by the following vote: Yeas 28, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.J.R. No. 1 on August 8, 1978, by the following vote: Yeas 28, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor

H. J. R. No. 1

By VON DOHLEN

HOUSE JOINT RESOLUTION

proposing a constitutional amendment relating to ad valorem taxation of agricultural property, exemptions of certain property from taxation, limitations on increases in total property tax revenues, and limitations on state legislative appropriations and state taxation.

JUL 8 1978

1. Filed with the Chief Clerk.

JUL 10 1978

2. Read first time and referred to Committee on

Constitutional Amendments

JUL 24 1978

3. Reported favorably ~~unfavorably~~ ~~(as amended)~~ and sent to Printer at 11:10 P.M. (time)
as substituted

JUL 25 1978

4. Printed, distributed, and sent to Committee on Calendars at 1:18 A.M. (time)

JUL 25 1978

Sent To Committee On Calendars 9:16 A.M.

JUL 28 1978

5. Read second time (amended) and ~~(amended)~~ passed to Third Reading by a Record Vote of 99 yeas, 42 nays, 0 present, not voting.

6. Motion to reconsider and table the vote by which H.J.R. _____ was ordered engrossed prevailed (failed) by Non-record Vote) (Record Vote of _____ yeas, _____ nays, _____ present, not voting).

JUL 31 1978

7. Read third time (amended) and ~~(amended)~~ (failed of adoption) by a Record Vote of 94 yeas, 45 nays, 1 present, not voting.

8. Caption ordered amended to conform to body of resolution. JUL 31 1978
Motion to reconsider and spread on journal vote which HJR #1 failed adoption

9. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-record Vote) (Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

CONSIDER THE VOTE BY WHICH
_____ FAILED OF FINAL
VOTE BY _____

AUG 2 1978

10. Ordered Engrossed at 8:20 P.M. (time)

AUG 2 1978

11. Engrossed.

AUG 3 1978

12. Returned to Chief Clerk at 8:00 A.M. (time)

AUG 3 1978

13. Sent to the Senate.

Betty Murray
Chief Clerk of the House

AUG 3 1978

14. Received from the House _____

AUG 3 1978

15. Read, referred to Committee on FINANCE

16. Reported favorably _____

AUG 3 1978

17. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

AUG 3 1978

18. Ordered not printed.

AUG 3 1978

19. Regular order of business suspended by unanimous consent (a viva voce vote.) _____ yeas, _____ nays.

20. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

AUG 3 1978

21. Read second time _____ passed to third reading by: (a viva voce vote.) _____ yeas, _____ nays.

AUG 2 1978 READ 3RD TIME AND FINALLY adopted as amended by record vote of 113 yeas 21 nays 9 pny

22. Caption ordered amended to conform to body of bill.

AUG 3 1978

23. Senate and Constitutional 3-Day Rules suspended by vote of 28 yeas,
0 nays to place bill on third reading and final passage.

6 AUG 3 1978

24. Read third time and passed by

(~~unanimous~~ vote.)
(28 yeas, 0 nays.)

OTHER ACTION:

OTHER ACTION:

Betty King

Secretary of the Senate

Aug 3, 1978

25. Returned to the House.

AUG 3 1978

26. Received from the Senate (with amendments).

**NOTION TO SUSPEND ALL NECESSARY RULES IN
ORDER TO TAKE UP AND CONSIDER AT THIS TIME
AUG 4 1978 PREVAILED BY NON-RECORD VOTE.**

AUG 4 1978

27. House (~~Consented~~) (Refused to Concur) in Senate Amendments by a (Non-record
Vote) (Record Vote of 5 yeas, 1 nays, 1 present,
not voting).

AUG 4 1978

28. Conference Committee Ordered.

House: *Wm. Doherty, Chm.*
Reutter
Donaldson
Brewster, Henderson

Senate: *Arthur Chm.*
Creighton
James of Taylor
Meier
Santesteban

AUG 8 1978

29. Conference Committee Report Adopted (~~Unanimously~~) by a (~~Unanimously~~) (Record
Vote of 107 yeas, 32 nays, and 1 present, not voting).

AUG 8 1978

30. Ordered Enrolled at 10:25 P.M.
(time)

1978 AUG -2 PM 11: 07
HOUSE OF REPRESENTATIVES

1978 AUG -4 AM 10: 29
HOUSE OF REPRESENTATIVES

1978 JUL 25 AM 1: 18
HOUSE OF REPRESENTATIVES

Finances